

The NATIONAL UNDERWRITER



THE wise swallow warned the other birds to pick up every hemp seed being sown by the farmer or some day they would regret their negligence. The birds scoffed at the advice. The hemp thrived, was converted into cord from which nets were made and the birds were caught. So we in America must destroy the seeds of bureaucracy which are being sown, to prevent their developing some day into socialism which will ensnare us all, depriving us of our basic freedom to live, work and prosper under the free enterprise system.

Abraham Lincoln said, "While the people retain their virtue and vigilance, no administration, by any extreme of wickedness or folly, can very seriously injure the government."



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THURSDAY, DECEMBER 21, 1950



We like it here

It's a nice neighborhood. It's a quiet street . . . plenty of shade trees . . . not much traffic. It's a good place to bring up kids. And the kids like it. So we want to stay. That's why I contacted Herb Bailey, our insurance agent . . . to make sure that come fire, explosion, tornado, falling aircraft, or what have you, we'd still have our home. We're glad, too, that Herb reminded us to protect our car and our personal effects.

But that's not all property insurance does for my family and me. It also makes it possible for my kids to romp and play in such a nice neighborhood. That's because insurance money has helped American business and industry to grow. Insurance dollars are always in the front lines in the battle to maintain our economic safety. Invested in American industry they help create more jobs, increase production, and encourage the development of new facilities.

So, the way I figure it, when you buy insurance you're also buying a way of life . . . the American way . . . and you're buying it not just for yourself, but for your children and your children's children.

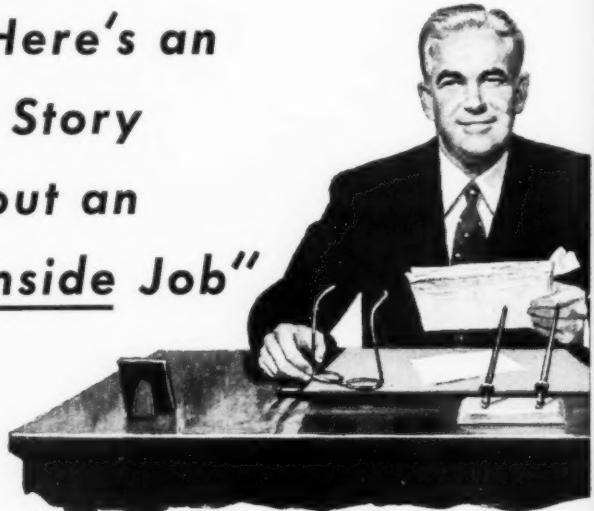
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The Connecticut Fire Insurance Co. Hartford, Connecticut	Atlantic Fire Insurance Co. Raleigh, North Carolina
Equitable Fire & Marine Insurance Co. Providence, Rhode Island	Great Eastern Fire Insurance Co. White Plains, New York
Minneapolis Fire & Marine Insurance Co. Minneapolis, Minnesota	Reliance Insurance Co. of Canada Montreal, P. Q., Canada

*Behind the Scenes With
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insurance company service called Loss Preven-
tion not only reduces accident and health haz-
ards, but by reducing the opportunities for
embezzlements, makes a vital contribution to-
ward safeguarding business.*

"Here's an Inside Story about an Inside Job"



"I'm the President of a drug company. My main job has been building up our business and, back in 1945, I turned over our insurance buying to one of our executives.

"It was only when profits took an unexpected dip that I again looked into our insurance picture. Our general insurance program seemed all right . . . but our protection against employee dishonesty was dangerously low! So low, in fact, that I called in our insurance agent.

"He asked for a few days to check over the situation. Afterwards he not only recommended a better plan of employee bonding but also came up with some practical suggestions about our internal safeguards and auditing. One of these suggestions nipped an embezzlement in the bud—caught one of our men cashing bonus and discount checks from drug manufacturers for his own use. We could have lost plenty. Right then Loss Prevention took on a new meaning to me.

"That's why I won't forget the importance of employee bonding—no matter how large our business grows."

*Remember: Employee bonds that keep pace with your business are your only sure safe-
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Call one of our agents and have him set up
this protection—tailored to your needs.*

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N.A.I.C. Sets High Record for Industriousness

Life Insurance War Clause Action Is Most Significant Result

The convention of National Assn. of Insurance Commissioners at Los Angeles was one of the most industrious in history. The group attended to the multitude of questions that were facing the association with exceptional single mindedness. Reflecting the serious strain of the week was the fact that at the final lengthy session at which the committee reports are read and acted upon, nearly every seat was filled throughout the entire period. Usually this particular session attracts only a scattered following and there is much confusion.

Allyn Keeps It Moving

W. Ellery Allyn of Connecticut, the president, was expressing justifiable pride in the businesslike climate of the first convention over which he presided. Some had predicted that the atmosphere would be otherwise, thinking that the spell of California would woo many of the conventioners away from their duty but as it turned out, there was very little wandering away from the headquarters hotel and the convention represented an unusually compact unit throughout the entire week. The Californians had gone light on the entertainment side and there was thus an absence of distractions. Even the banquet in the Biltmore Bowl was a sober-sides gathering because the speaker, Dr. Harry Steiner of University of California, dwelt on the international situation which, of course, created an under-tone that was hostile to exuberant convention spirits.

Life Insurance War Clause

The single accomplishment of the week that was believed to be the most significant was the amendment of the life insurance war clause memorandum of N.A.I.C. Both the commissioners and the "industry" were satisfied that a constructive piece of work had been done here. There was prepared a memorandum indicating the kind of claims that both the commissioners and the "industry" contemplated should be covered under the recommended type of results war clause. It was felt that this would be a more satisfactory solution for the guidance of the courts and others than to try to devise wording for the clause itself that would serve to draw the line in all cases.

Another very serious problem that was tackled but by the nature of things could not be solved, was the matter of the workmen's compensation war hazard. The commissioners adopted a statement of principle on this situation that was regarded as being about as far as they could go at the moment. Word was reaching Los Angeles from Washington that War Damage Corp. was well on its way to being reactivated, but simply as a property insurance apparatus and with no provision for government reinsurance of workmen's compensation war hazard. This is a matter of the utmost importance. The largest

(CONTINUED ON PAGE 25)

Ben Butler to No. 1 Western Adjustment Post

Sellery Steps Down After 50 Years in Upbuilding of Organization

At the directors meeting of Western Adjustment at Chicago Tuesday, Executive Vice-president Roy A. Sellery recommended that the post of executive vice-president be abolished and that Ben M. Butler, elected general manager a year ago at Mr. Sellery's suggestion, now become the chief executive officer, a post which Mr. Sellery has held 25 years. This action was accordingly taken, to be effective Jan. 1. Mr. Sellery will continue as treasurer and director.

Mr. Butler is well known and highly regarded by the insurance fraternity. He joined the organization 20 years ago, serving first as staff adjuster at Omaha. Some years later he became



Ben M. Butler



R. A. SELLERY

general adjuster for Nebraska. In 1943 he was appointed manager of the Kansas City branch. In 1946 he was invited to join the head office staff as executive general adjuster; in 1947 appointed assistant general manager. He is a graduate of University of Michigan.

Mr. Sellery, in youth a country school teacher in northern Ontario, joined Western Adjustment in 1901 at the bottom of the ladder. He recalls that the big names in the adjusting field in those days included: H. H. Heaford, D. S. Wagner, L. C. Stark, W. N. Bament, W. J. Greer, Chester Barnard, James Caswell.

During his almost 50 years with the company, Mr. Sellery has successively served in every capacity. During his first 20 years he worked as adjuster at Chicago, Milwaukee, Cincinnati, St. Louis and Indianapolis. He was appointed assistant general manager in 1920, and on the death of W. E. Mariner was elected general manager. When Mr. Sellery joined the

Voorhis Succeeds McCagg in Royal Western Post

NEW YORK — The election of Elmer R. Voorhis as vice-president and assistant U. S. manager is announced by Royal-Liverpool. He will have executive supervision of the western territory, excluding the Pacific Coast. He succeeds George W. McCagg who has resigned to join Manufacturers Cas- uality.

Mr. Voorhis has been associated with the group since 1919 and has served successively as special agent, superintendent of the automobile department, executive regional manager, and since 1948 as agency secretary in the eastern department.

Mr. Voorhis has recently participated in the advanced management seminar at Harvard.



Elmer R. Voorhis

Downey Resigns; Maloney Is New Cal. Commissioner

LOS ANGELES—Insurance Commissioner Wallace K. Downey of California has resigned. Gov. Warren has named J. R. Maloney, former chief assistant insurance commissioner, as his successor.



Wallace Downey

Wayne County Assn. Elects

DEARBORN, MICH.—Wayne County Assn. of Insurance Agents, made up of Wayne agents outside of Detroit, Hamtramck and Highland Park, elected Harold M. Langworthy of Wayen as president. Vice-president is Clarence Justice, Dearborn; secretary, John L. Youd, Wyandotte.

Felix Hargrett, vice-president and secretary of Home, celebrated his 25th anniversary with the company last week. Harold V. Smith, president, presented Mr. Hargrett with a medal and certificate in a brief ceremony at the home office.

Western in 1901, the company had offices at Chicago, Minneapolis, Cincinnati, Detroit and St. Louis. The entire personnel in the five offices did not exceed 25. When Mr. Sellery went to the head office in 1920 there were 22 offices. When he became general manager the branch system comprised 41 offices. Today the company maintains 212 branch offices with an adjusting force of more than 800 supported by a splendid clerical personnel of similar numbers. The growth of the company has kept pace with that of the business. Not only has the business of the organization increased tenfold in the past 25 years but the quality of performance has similarly improved.

Storm Estimate Up to \$125 Million on 600,000 Losses

Catastrophe Reinsurers Hit Heavily; Settlements Will Take Months

NEW YORK—National Board has revised its estimate of dollar loss from the Nov. 25 windstorm in the northeast to at least \$100 million on at least 500,000 losses. General Adjustment Bureau believes it may get 200,000 losses. Individual groups of larger companies are talking estimates for themselves of more than \$10 million. One estimate of the mutuals' total is \$25 million for a grand total of \$125 million.

This places the storm in the category of the big Chicago fire and the San Francisco earthquake-fire in dollar amount and far beyond in number of insured involved.

No Estimates in Many Reports

It is now obvious that losses can't be disposed of finally for months. Most of the reports contain no estimates. Three months is the most optimistic time put on settlement of most of them. Emergency cases are being handled first. The fellow with a few shingles off may wait till spring.

The number of claims is estimated by many at 600,000. This is approximately three times the number of wind-storm claims handled by companies in the section struck by the storm during a whole year, which runs about 200,000.

The head offices of the companies don't have the mechanical or personnel setup to get out loss drafts in this volume in any short period of time like 30 days, if there were nothing else.

May Waive Mortgage Requirement

Mortgagors require that their name be inserted in the loss payment draft. It has been suggested that they waive this on payments up to \$100 so that the contractor can get his money. One small contractor who was busy on repair work found he had advanced \$7,000 and had to close down until he got some of the money in.

Banks and building and loan associations are sympathetic but in some cases they are bound by federal housing rules. Also, they are anxious to be sure that the repairs are actually made. However, it is possible for them to take receipted bills, and this is being looked upon with favor by some of the bankers.

Adjusters are in the area from Texas, Louisiana, Mississippi, Georgia, all over the middle west, even as far away as California. Some of the companies have called in every field man they could lay their hands on country over to do loss work. This means of course they have been practically withdrawn from field work for the time being. In addition part timers have been pressed into service. The home offices are working nights and Sundays and they have added to their loss staffs by voluntary overtime work by persons in other departments.

The agents and their state associations have been very cooperative and their aid will prove extremely helpful.

Many companies hit hard by the Nov. 25 storm have called on London Lloyds

(CONTINUED ON PAGE 10)

N.A.I.C. Adopts III. Treatment of Catastrophe Cover

Favor Suspension of Filing Requirement but Approve Other Controls

The committee on rates and rating organizations of N.A.I.C. submitted a report at the Los Angeles convention based upon its hearing at Chicago Nov. 15-16 on the subject of deductible and catastrophe insurance and multiple location rating. The committee said it concurs in the opinion expressed by H. R. Heilman, vice-president of North America, and John Phillips, assistant counsel of that company, that catastrophe coverage is direct insurance and

(CONTINUED ON PAGE 31)

N.A.I.C. Proposes Auto Finance Rules for States

National Assn. of Insurance Commissioners at Los Angeles adopted the final report of the installment finance committee, headed by Larson of Florida, which comprises proposed rules for all states governing auto finance business. This had been the subject of lengthy debate for the past several years. The California department took a prominent part in the deliberations on this, as they are sponsoring legislation regulating so-called retrospective rating in the auto physical damage field. At first California was going to try to abolish retrospective, but its aim is now to prescribe rules for it. Section (11) in the following set of rules that was adopted represents the conclusion on this retrospective matter.

In view of the necessity of having available a guide for submission to the several states as the minimum standard aimed at eliminating undesirable conditions arising out of property insurance in connection with installment transactions dealing with personal property, the following rules and regulations are proposed:

(1) The insurance company must place on file with the insurance department

the name of its officer or agent who will be fully responsible for the insurance company's compliance with these rules and regulations.

(2) There must be a complete disclosure of insurance obtained by a dealer, finance factor, or lender from an insurance company or an authorized agent thereof, which shall be made in all cases to the ultimate purchaser of such insurance, as follows:

(a) In no instance shall the insurance company execute a policy or policies unless a statement setting forth a clear and concise description of the insurance coverage has been furnished to the purchaser or borrower at the time of the transaction. The policy or policies, when executed, and within the time limit prescribed by existing law or within thirty (30) days after execution of a retail installment sale contract or the consummation of a loan (whichever be the shorter period), shall be sent to the purchaser or borrower and shall indicate clearly the amount of the premium, the kind or kinds of insurance, and the scope of the coverage and shall contain all of the terms, exceptions, restrictions, and conditions of the contract or contracts of insurance.

(b) Policies not containing P.L. or P.D. coverage shall be clearly stamped or printed to the effect that such coverage is not included in the policy.

(3) Every purchaser or borrower requiring insurance, to cover either the purchaser's or borrower's interest, or that of the finance factor, financing a motor vehicle or other property, shall have the option of furnishing to the dealer, finance factor or lender a required policy of insurance, in a company duly licensed in the state, acceptable to the dealer, finance factor or lender, which acceptance shall not be arbitrarily withheld providing such policy contains the coverage that may be required by the dealer, finance factor or lender. No coercion in any form or manner shall take place in connection with any insurance transaction.

(4) All policies or certificates of insurance must be written in strict accordance with the rates and rules filed by or on behalf of the insurance company writing said policies with the Insurance Department of this state. No coverages may be written that are not contained in the manuals of insurance legally in effect for use within this state, unless specific approval be received from the insurance department of this state prior to the sale of such coverage and the issuance of policies therefor.

(a) No contractual agreement or plan shall be used which permits the collection of an application or policywriting fee, in addition to the premium, unless legally in effect.

(b) The insurance company must at all times maintain complete records of all policies issued, including names and addresses of all insureds and beneficiaries, and the coverage provided, and no plan shall be used that fails to require the soliciting agent to report, and send to the insurance company promptly, all applications for insurance, or copy-dalies of policies issued.

(c) No so-called master policy shall reduce in any manner whatsoever the standard form policy rights of the insured (purchaser or borrower) on similar coverage in this state, as compared to the individual type of policy, with the approved standard loss payable clause attached.

(d) All policies of insurance must be effective from the moment that purchaser or borrower takes delivery of the property insured.

(5) Policies or certificates of insurance

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Maybank Seeks Fast Action on War Damage Bill

Strives to Get Measure Through Senate by Unanimous Consent

WASHINGTON — Senator Maybank planned early this week to get the war damage bill through the Senate by unanimous consent if possible, without holding hearings or a committee meeting on it. The House acted favorably Monday.

The committee was contacting interested parties to inquire about their attitude toward the bill, with a view to the above course, if satisfactory. If objections were in prospect, however, Maybank planned to let the measure go over until 1951. If not, the plan was to poll the committee members without holding a formal meeting.

He is understood to have gotten a green light from some interested parties. Some casualty interests were agreeable to this course, although R. B. Ely, attorney for Assn. of Casualty & Surety Companies, and some other witnesses recommended before the House committee that provision be made to cover workmen's compensation and personal injury losses. However, it is reported casualty interests decided not to fight the bill.

Government insurance officials call attention to the fact that the war damage bill recommended by the House banking committee differs from two Senate bills on the subject. The latter provide for gratuitous automatic coverage between the time of enactment and when War Damage Corp. could put out policies or actually get into operation.

This point was mentioned at the House committee hearings, but it was suggested that the matter of retroactivity could be dealt with legislatively later if an emergency develops, as it was dealt with in the last war.

National Assn. of Mutual Insurance Agents executive committee voted in favor of legislation to provide for return of "profit" to shareholders under a government war damage program, practically as dividends.

President R. E. Hill was directed to recommend to Congress an amendment that all surplus after WDC operation is ended "shall be refunded to participants in ratio to the premiums paid."

"When the old WDC folded up last year," Mr. Hill said, "they had a net

(CONTINUED ON PAGE 30)

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GLIMPSES FROM INSURANCE COMMISSIONERS CONVENTION AT LOS ANGELES FROM CAMERA OF HARRY H. FULLER, ZURICH:

George A. Bowles, veteran Virginia commissioner, shaking hands with Leo O'Connell, new Idaho commissioner; inset, E. M. Griggs of Chicago, associate general counsel of National Board, and Mrs. Griggs; Ray Murphy, general manager of Assn. of Casualty & Surety Companies, and Claude Fairchild, San Diego, his predecessor in that office.

Survey of Section Hit by Storm Shows Character and Extent

By KENNETH O. FORCE

NEWARK—During the storm Nov. 25 in the northeast much of what happened was exciting, even if somewhat terrifying. The wind was roaring, booming and battering away; waves were lashing the coasts; trees were going over, snapping off; live wires were hanging, and windows were crunching in.

It was a question, hour to hour if the roof would stay on and the walls stand up.

The next day, when the wind was gone and the water subsided, what the householder, the insurance man and the insurance people faced was just a big mess—a lot of hard work, long hours, and heavy expense.

Though this time for the first time agents are carrying a substantial part of the burden of loss adjusting; though company field men, head and branch office personnel and executives are getting a real workout, it is the adjuster, the "pro," who has the major load to carry.

He gets the big losses, the bad losses, and he will be working for months and months digging down to the bottom of the mountains of loss reports he already has in front of him. They are still coming in; they will continue to come in for weeks. Some adjusters were still working on the losses in South Amboy, N. J., caused by an explosion of munitions in the spring. Some were in Florida on the hurricane losses.

The occasion, like the wind which created it, has applied terrific pressure. The situation calls for the utmost skill, endurance, patience and knowledge the adjuster has. He is working in many cases seven days a week and even at night.

These observations are in part prompted by a visit to the General Adjustment Bureau office in Newark. Through the cooperation of Philip B. Winchester, manager of the eastern department of G.A.B., and D. C. Briner, manager at Newark, it was possible to make a quick survey of what happened in Newark and its environs on Nov. 25. This was only a sampling, but it provides at least a glimmering of what occurred and the enormous load it placed upon the insurance companies and their personnel, both in way of work and money. F. S. Groves, assistant manager, and Joseph Hanno, adjuster, acted as cicerones in the tour of damaged areas. They were very generous in supplying guidance and technical information.

High Incidence of Loss

The high incidence of damage in relation to the total property exposed is one of the most impressive things that can be seen as an aftermath of the storm. The figure of 600,000 losses has been mentioned, and this is readily understandable after even the most cursory tour of Newark and adjacent communities. Newark and its environs received the peak of the gusts. The wind here averaged 75 miles an hour for most of Nov. 25 and was measured up to 108 miles an hour at the Newark airport. The number of losses already reported indicates that Newark was one of the areas hardest hit.

Another characteristic of the storm was the amount and number of interior losses resulting from rain driven through damaged walls, roofs or windows. This is probably the most important single factor responsible for the high average loss. If there had been no rain, the average dollar loss and the aggregate total loss to the insurance business would have been very substantially lower. A householder connected with insurance reported a \$25 loss to the roof. When the contractor examined the property, he found the ceiling plaster about ready to fall in and the side wall plaster badly wetted. The estimate now is \$350.

Though many losses were confined to a few shingles ripped off, an aerial blown over, or a window busted out, with or without interior damage from water, here and there with considerable frequency a tree hit across a corner of the house and broke the framing as well as the roof. These are substan-

tial losses.

Slate roofs stood up very well. These mostly are found on older houses and of course indicate a substantial structure throughout, in many cases much more substantial than new housing. One new housing development near Bergenfield, only three years old, had the east slope of almost every house suffer some damage from the wind. Surprisingly enough, however, two or three groups of emergency war housing (second war, that is), apparently suffered no damage at all. This may have been because these houses generally are

low in height.

Watching the evidences of repairs—a small patch of light color on dark, for example, or an obviously new ridge—it was apparent that the strong wind, probing with ferocity for so long, found and extracted any weak places. These however mostly turned up along the caps and at the eave. Obviously, wherever the wind was able to work something loose, it was not long before the shingles were ruffled up like the feathers of a bird. Another phenomenon was that as the wind came

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Reduce Illinois Dwelling Rates; Alter Many Forms

Federal Priorities Exclusion Erased; Add War Risk Clause

In a series of changes effective Dec. 20, 1950, Illinois Inspection Bureau has reduced rates on all classes in the two dwelling schedules. Of top significance in view of the war situation is modification of the priorities exclusion clause to limit denial of liability to "local or state" ordinances regulating construction or repair, no longer denying liability in cases where conditions are complicated by federal controls. The extended coverage endorsements have had a war risk exclusion clause added.

The dwelling schedule has been extended to cover the dwellings and outbuildings pertaining to many occupancies which previously have been classed as farm property. If farming is incidental to these occupancies, under certain conditions, the dwelling schedule may be applied to them rather than the specific rates for farm property.

Dwelling rates in Schedule A territory in the northern part of the state on fire protection classes 1 to 6 in basis table No. 1 and classes 7 to 8 in table 2 have been reduced between 2 cents and 4 cents. On Schedule A, class 9

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Ill. Farm Rates and Rules Are Extensively Revised

Extensive revisions in rules and rates for farm property have been approved in Illinois. The principal change is that on the installment note plan, whereunder rates are now approximately 4.2 times the annual rates for a five year policy replacing the former 4.5 figure, and allowing the bureau companies to compete favorably with the several installment payment plans.

The majority of farm business is sold on the installment note plan under five-year term policies. The extra .5 was a collection cost. The companies collect the notes directly from the insured and the new rate of .2 represents a substantial savings.

Merge Rating Sections

The new schedules also include a merger of rating sections 3 and 4 in southern Illinois, and section 3 now embraces the former section 4, which was in the southern extreme of the state.

A new farm definition has been adopted identical with that now in effect in Missouri and similar to the one in Michigan which was approved last March.

The new definition reads:

"Farm property is defined as dwellings, barns, granaries, outbuildings and other structures used in connection therewith, and their contents, livestock, hay and grain in stacks, farm implements and machinery; situated on land used for poultry, truck, fruit, livestock, dairy or other farm purpose, whether located inside or outside the corporate limits of cities, towns and villages.

"Note—apply regular dwelling sched-

(CONTINUED ON PAGE 30)

Benz Retiring, Sun Names Chickering, Chessman in West

John A. Benz, assistant western department manager of Sun, is retiring Dec. 31. John Chickering, agency superintendent, will succeed Mr. Benz as assistant manager, and Howard S. Chessman, who has been an examiner in the western department, will replace Mr. Chickering as agency superintendent.

Mr. Benz entered insurance in 1901 after taking a course in fire protection engineering at Armour Institute. He started with Continental and was later with the Chicago general agencies of R. W. Hosmer & Co. and R. J. O. Hunter & Co. In 1907 he was appointed an examiner in the western department of Sun, and subsequently he assumed also the supervision of automobile, explosion and war damage coverages. In 1918 he was advanced to agency superintendent, and in 1926 he was made assistant manager.

Mr. Benz is a charter member of Assn. of Fire Insurance Examiners of Chicago and of Western Conference of Special Risk Underwriters. He is being honored Thursday evening at a dinner at the Union League Club by about 30 members of the Chicago staff. C. W. Ohlsen, manager, will present Mr. Benz with a chest of sterling silver, and he will also receive an appropriate gift from his associates in the office.

Mr. Chickering has been with the company since 1917, starting in the accounting department at Chicago. He held various underwriting positions until 1922, when he was appointed Nebraska state agent. Later he traveled in Iowa, Ohio and Missouri, and then in 1926 he was named state agent in Illinois. He was transferred to the western department as agency superintendent in 1930, and three years later also took over the duties of Cook county manager.

Mr. Chickering was most loyal gander of the Illinois Blue Goose in 1938, and when in the field was also a member of the executive committee of Illinois Fire Underwriters Assn.

Mr. Chessman joined Sun in 1919 at Chicago as a rate clerk, and after advancing through the underwriting positions was appointed examiner in 1926. He is the son of the late Leonard W. Chessman, who was with the Critchell-Miller Agency of Chicago for more than 50 years.

R. D. Parchem, formerly with Washington Insurance Examining Bureau, has joined McCollister & Co., Seattle general agency, as a fire underwriter.

Cook County Bureau Rates Slashed from 12 to 20%

North America Applies 15% Deviation to New Levels

Cook County Inspection has just put into effect rate reductions in most categories, ranging from 12 to 20%, effective Dec. 20. Simultaneously, North America has announced to its agents that its deviation of 15% from bureau rates will still hold as applied to the new rates. Most important of form changes promulgated by the bureau is amendment of the special exclusion clauses in the business interruption forms so that the use of a priorities exclusion clause is unnecessary. Time element coverages will correspondingly be changed shortly. Rate increases applied to certain classes of properties in Cook county on Sept. 17, 1947, have been rescinded.

Building and contents rates on dwellings, flats and apartments; private boarding and rooming houses; nurses and sisters' homes; chapter, fraternal and sorority houses; private garages; private stables; outbuildings; and seasonal risks have been reduced.

There has also been a general reduction in farm fire rates in addition to numerous other changes in rules and forms. These are treated in separate stories in THE NATIONAL UNDERWRITER.

For minimum tariff, all rates and the extended coverage rate on single and double dwellings have been reduced. A new definition for farm property has been provided. Contribution credits for dwellings have been eliminated.

Special Cancellation Rule

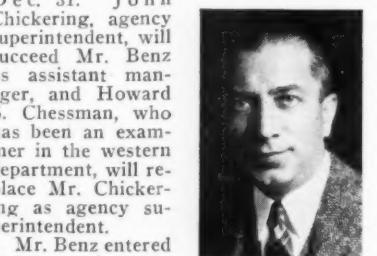
The 1947 increases rescinded are subject to the following special cancellation rule:

"No rebate or cancellation pro rata to rewrite (or otherwise) is permissible for the general reduction in rates, with the following exception:

"Policies written for a term of more than one year and in effect more than 45 days prior to Dec. 20, 1950, may be cancelled pro rata on or after their next anniversary date and rewritten from the date of cancellation, in the same company, on the same property for not less than the original amount and for not less than the original term of the policy cancelled.

"Policies written for a term of one year or longer and in effect not more than 45 days prior to Dec. 20, 1950, may

(CONTINUED ON PAGE 29)



John A. Benz



At Los Angeles convention of N.A.I.C. — Frank J. Agnew, Pacific Coast counsel of National Board; Joe Gibbs, casualty commissioner of Texas, and Jack G. McKenzie, Agnew's assistant. Picture by Harry H. Fuller of Zurich.

O'Connell Calls Fire Deductible Proposals Shameful

Addressing a regional meeting of Ohio Assn. of Insurance Agents at Youngstown, Arthur M. O'Connell, Cincinnati, vice-president of the association, minced no words in tearing into proposals for fire insurance deductibles. He called them a species of prostitution and said the shame of this does not change essentially, "even though the act occurs under legal auspices or solicitation takes place at the penthouse level."

Pointing out that everyone tries to justify his conduct, Mr. O'Connell scoffed at the claims that deductibles are aimed only at self-insured risks, mutual competition, non-admitted carriers, etc. No matter what an agent or company may say, he maintained, the real reason is a temporary advantage, which "jeopardizes their own and their competitors' future." He declared the majority of underwriters and agents want no part of these schemes and that it would be shameful if "a few greedy segments of the business compelled the entire industry to abandon its dignity and its scientific analysis of underwriting problems, in favor of a dice-throwing campaign to cut its own throat." He asserted that deductibles do not reduce agency or company operating costs and dissatisfied insured who discover they must bear a heavy part of a loss can create harmful public reaction. The danger, he said, is that deductibles, if approved for the very largest risks, will eventually get into the moderate accounts.

"Deductibles," Mr. O'Connell said, "are legitimate in insurance contracts only when designed to avoid maintenance or nuisance losses or to correct underwriting defects. If these 'upper layer' proposals are given a background of respectability by the various states, natural competition will call the industry to gallop in all directions while attempting to satisfy deductible requirements." Even dwelling risks, the backbone of the business, could not long remain unaffected by this plague."

New Code for Hawaii Unveiled at N.A.I.C. Parley

Those interested in Hawaiian insurance affairs had a busy time during the commissioners' convention at Los Angeles due to the fact that William Brown, the territorial treasurer and insurance commissioner, arrived on the scene with the draft of a proposed new insurance code for Hawaii, the volume weighing more than 1½ pounds. There were several sessions held during the week to discuss various features of this code and now Mr. Brown will proceed to get up a new draft and there will be further consideration. R. D. Williams, who has become known as the code doctor, because of the work he did in formulating the Washington state code and that in Kentucky, had much of a hand in getting up this Hawaii proposal. Hence this Hawaiian code is a mixture of Kentucky and Washington law, and some of the present Hawaiian provisions. The legislature goes into session in March.

The Hawaiian delegation that has been working on the code includes R. E. Clark of Home of Hawaii, U. E. Wild, attorney for Board of Fire Underwriters of Hawaii, Arthur Latta, Casualty & Surety Rating Bureau of Hawaii and A. J. Coney, vice-president of Pacific Ins. Co. of Hawaii.

Royal Introduces Single Policy for Aircraft Cover

Royal-Liverpool group has made available combined policies for aircraft hull and liability coverages. It is believed that this is the introduction of the

first complete insurance coverage for aircraft in one policy, with one company.

The policies are now available in the Globe, Royal Indemnity, and Newark, except in Idaho, Kansas, Nevada, and Ohio, which do not permit the writing of a combined policy by the Newark.

N.A.I.A. Course Approved for Exams in Fla., Pa.

Commissioners Larson of Florida and Leslie of Pennsylvania have agreed to recognize graduates of the National Assn. of Insurance Agents' standard educational course as qualified to sit for agents and brokers exams in their states.

The N.A.I.A. standard course is composed of thirteen units covering automobile, burglary, plate glass, bonds, fire, inland marine, public liability, workmen's compensation, A. & H., aviation, boiler and machinery, insurance regulation and office management.

Western Is on Neb. Loss

A fire at Scottsbluff, Neb., which started in a store room at the rear of the Western Adjustment office and spread through that office as well as those of the Ted Smith agency and Pavey Music Co., did damage of \$50,000.

Lehr, Brownson Named in Mich. by Detroit F. & M.

Hubert Lehr has been appointed vice-president of Detroit F. & M. to succeed the late Raymond Waldron, and Wallace G. Brownson has been appointed secretary.

Mr. Lehr will be in charge of the Michigan department with headquarters at Detroit, assisted by Francis G. Talbot and Mr. Brownson as secretaries.

Mr. Lehr has also been appointed manager of American National Fire in charge of the Michigan department, and will be assisted by Messrs. Talbot and Brownson as assistant managers.

Mr. Lehr joined Great American in 1926 as special agent for American National at Cleveland. He was transferred to New York in 1942 as agency superintendent and 1945 went to Detroit and was appointed secretary of Detroit F. & M.

Mr. Talbot joined Detroit F. & M. in 1925 as an underwriter and was appointed assistant secretary in 1939. He advanced to secretary in 1944.

Mr. Brownson joined Great American in 1941 as special agent at St. Louis. He was later appointed assistant manager in Columbus.

Eight Meetings Held in Michigan Upper Peninsula

C. Gilbert Waldo, Detroit, president, and Waldo O. Hildebrand, Lansing, secretary-manager of Michigan Assn. of Insurance Agents, attended a series of eight meetings with upper peninsula agents' groups.

Sessions were held at Menominee, Iron Mountain, Hancock, Marquette, launching a reorganized local board there, and Escanaba.

New officers of the Marquette association are: President, Robert T. Peters, Peters & Larson; vice-president, Alfred H. McCarthy, Peter White & Co.; secretary, Lysle E. Elder.

Zone 3 Sets Next Meet for New Orleans Apr. 10-11

Zone 3 of N.A.I.C. has decided to hold its next meeting at the Roosevelt hotel, New Orleans, April 10-11. The fall meeting will be at Gatlinburg, Tenn., probably late in October.

How will the storekeeper get out of *this* mess?

Can he shove the responsibility onto the municipality? After all, the man was walking along on a public sidewalk.

Say "yes" and 9 times out of 10 YOU'D BE WRONG! Why? Because probably even the storekeeper is unaware of the fact that he has assumed the municipality's liability under a "hold harmless" agreement and that he, and he alone, is responsible for the damage the sign has done. That was a condition he agreed to when he got the permit to put up the sign.

How can a storekeeper know that "premises hazards" won't give him protection for assumed liability? Do you know why he needs the SURE general protection of the Storekeeper's Liability policy?



• You'll find it a cinch to sell the fellow who has more than signs to worry about—if you get the sales pointers available from our Advertising Department.

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Term Discount Study Weighed

Commissioners at Los Angeles Receive Report from "Industry" Group

J. R. Berry, counsel National Board, at the commissioners' meeting at Los Angeles, submitted a report on the term discount study. A report was also submitted by the Mutual Insurance Advisory Assn. by Dr. C. H. Graves. This study the companies agreed to undertake, at the request of the insurance commissioners. It was lengthy and of a technical nature so there was no opportunity to evaluate it and have a discussion on it at the meeting.

This study is related to the 1921 standard profit formula situation.

The National Board submission started off with a report from a subcommittee of company technicians to the National Board committee. These technicians concluded that discounts based upon savings in expense which accrue by the use of term policies and on the maintenance of an equal percentage of profit can be justified. For stock companies, the technicians submit that the justifiable discount for three-year policies for stock companies is 10.56%, for mutual companies 9.44%, for stock and mutual combined 10.46, all of which compare with the present discount of 16.67%. For five-year policies the comparable figures are 12.67, 11.33, 12.55 and 20. For discount on annual premium on each succeeding year, the figures are 15.84, 14.16, 15.69 and 25%.

Loss and Expense Factors

The calculations in reaching those conclusions are based upon the following loss and expense factors, using an annual premium unit of \$100: Loss and expense cost \$50 for stock and mutual; "fixed" expenses \$6.80 stock; \$8.58 mutual, and \$6.97 combined; "variable"

expenses \$10.69 stock; \$9.66 mutual and \$10.59 stock-mutual; commissions \$24.60 stock; \$13.40 mutual and \$23.30 stock-mutual; taxes \$3 across the board; balance for profit and contingencies \$4.91 stock; \$15.36 mutual and \$6.14 combined.

The technicians told about the progress of their study including the three-day conference at Stockbridge, Mass., July 19-21, which was attended by both stock and mutual representatives at which R. C. Ratcliffe was elected chairman, N. E. Masterson of Hardware Dealers Mutual, vice-chairman and E. C. Potter of the National Board, secretary.

In the early discussions it became immediately obvious that many aspects of the problem could not be reduced to mathematical simplicity; for instance, agency relations, including commissions, retention of business, drain on surplus. Such items could not be supported in any study by factual statistical data. Factual data can be obtained from company offices which may support a term discount by demonstrable expense savings through repetitive handling and policywriting. However, a very large percentage of policies are written in agency offices and any additional expense attributable to the handling cost of annual policies as compared with term would be borne by the agents. The impact of such cost could not be verified by statistics of this committee. Studies of agency costs are now underway and the results will doubtless be made available.

Management Problems

It was agreed that the questions of retention of business and drain on surplus resulting from writing long term policies are management problems and could not enter into the studies of this committee.

The subject of size of risk and possibility of variance in loss cost as between annual and term policies received serious consideration and it was agreed that the obtaining of factual statistical data was impossible within the time allotted.

It is conceivable that the loss cost on

one-year business may vary with the loss cost under term policies. However, there was an absence of statistics. The conference decided to devote its time to the development of factual data which might, with a high degree of credibility, justify the accuracy and propriety of a term discount because of the expense variation factors.

It is evident that if all contracts were to be written on an annual basis, additional costs would be incurred in certain operating expenses as reflected in the insurance expense exhibit. These would include salaries of clerks and supervisory personnel, equipment, rent and rent items, printing and stationery and others. Certain expenses such as loss adjustment, advertising, travel and travel items and others would not be affected. Some expenses would be partially affected.

Newton, Bambeary Advanced By Phoenix-London Group

Franklin E. Newton, who since 1948 has been treasurer of the Phoenix-London group, has been appointed also secretary of all companies. In that position he succeeds Harry B. Gaffney, who died last August. Mr. Newton joined London Guarantee as assistant statistician in 1926, and was appointed office manager in 1934. In 1947 he was named assistant treasurer of the group, and treasurer in 1948.

John W. Bambeary has been named investment secretary of the group. He joined it in 1945 as securities analyst in the investment department. Before that he spent 10 years with the investment firm of De Coppet & Doremus, followed by two years with the government as an engineer in the Bahamas. From 1943 to 1945 he was in service.

Lester Beck President of Hartford C.P.C.U. Chapter

HARTFORD—Lester Beck of Travelers has been elected president of the Hartford C.P.C.U. He succeeds Hugh Donovan, American Associated.

Vice-president is Herbert R. Bland, Aetna Casualty; secretary, Austin Carey, Aetna Fire.

Mr. Donovan announced that C.P.C.U. Institute will be held at University of Connecticut, June 19-21, sponsored by the local chapter and by the university, and conducted on a seminar level. Enrollment will be limited to 60.

Executive committee for the institute will consist of Mr. Donovan, Mr. Beck, Laurence Ackerman, dean of the university's school of business, and Richard Farrer, educational director of National Fire.

Mich. "Comp" Filing Held Up

LANSING, MICH.—A proposed revised filing of workmen's compensation rates for Michigan has failed to receive approval of Commissioner D. A. Forbes. The new schedule had been submitted by Michigan Workmen's Compensation Rating Bureau.

Richard V. Atwell, second deputy commissioner and head of the department's casualty division, said that Commissioner Forbes had expressed dissatisfaction "with some of the factors used by the bureau in arriving at the proposed schedule."

Home on Surety List

WASHINGTON—Home of New York has been approved by the Treasury Department to furnish surety bonds for the government. Its underwriting limitation is \$12,192,000, the Treasury said.

Hatch Opens Own Agency

Edward B. Hatch, Jr., has organized his own local agency at 2586 North High street, Columbus, O., representing American Alliance, Continental, Mercury, Springfield F. & M., U. S. Fire

and St. Paul-Mercury Indemnity.

He was a fire protection engineering scholarship graduate at Armour Institute in 1926 and then went with Fire Underwriters Inspection Bureau at Minneapolis. For a short time he was with the Lansing B. Warner reciprocals at Chicago, then served as engineer, special agent and finally state agent for America Fire in southern Ohio. For the past three years he has been with the Lauterbach & Eilber agency at Columbus.

National Pays Special

HARTFORD—Directors of National Fire Monday declared a special dividend of 50 cents a share payable Dec. 22 to stock of record Dec. 18. This is in addition to the regular quarterly payable Jan. 2. to stock of record Dec. 12.

Deiss Marks 50th Year

The Avery agency at Louisville recently honored Fred E. Deiss, who has completed his 50th year with the agency. W. Irwin Renau, agency owner, presented Mr. Deiss a fine gift and he received congratulations from a number of company men who attended the celebration.

Issues House Organ Clip Sheet

A fourth clip sheet to assist editors of employee publications of stock companies is being distributed by the National Board. It features a four-page insert, which can be adapted for use in employee magazines, featuring an article showing that "twice as much insurance now costs fewer hours of work" than it did a few years ago.

Other stories deal with the history of Western Underwriters Assn., the operation of the National Board catastrophe plan, competition in the property insurance business and the nature of hail insurance. A special cartoon strip describes the perils named in the E.C. endorsement.

Herbert J. Lorber, president of Rollins Burdick Hunter Co., Chicago, recently left on a two months' trip to South America to inspect certain properties and review economic conditions first hand. Traveling by boat and plane, he will visit Brazil, Argentina, Chile, Bolivia, Peru and Colombia.

Insurance Women of Wichita held their Christmas dinner, at which committee reports were given on plans for the regional meeting at Wichita next March.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co., 135 So. La Salle St., Chicago		Dec. 19	Div.	Bid	Asked
Aetna Casualty	3.00*	100	102		
Aetna Fire	2.25*	58	60		
Aetna Life	2.50*	67 1/2	69		
American Alliance	1.50*	25	26		
American Auto	2.00	39	43		
Amer. Equitable	1.25	23 1/2	25		
American (N. J.)	.90	22	23		
American Surety	3.00	54	57		
Boston	2.40	59	62		
Camden Fire	1.15*	22 1/4	23		
Continental Casualty	2.50*	68	71		
Fire Association	2.60	59	61		
Firemen's Fund	3.20	113	115		
Firemen's (N. J.)	.70	21	22		
Falls	2.30*	53	55		
Globe & Republic	.50	12	13		
Great American Fire	1.50*	31 1/4	33		
Hanover Fire	1.60	32	32 1/4		
Hartford Fire	3.00*	142	145		
Home (N. Y.)	1.80	35 1/2	36 1/2		
Ins. Co. of North Am.	5.50*	125	127		
Maryland Casualty	.80	19 1/2	20 1/2		
Mass. Bonding	1.60	24 1/2	25 1/2		
National Casualty	1.50*	34	36		
National Fire	2.50*	57	58		
National Union	1.60	34 1/2	35 1/2		
New Amsterdam Cas.	1.50	34	36		
New Hampshire	2.20	35 1/2	40		
North River	1.20	28	29		
Ohio Casualty New	.80	50	Bid		
Phoenix, Conn.	3.00*	80	83		
Preferred Accident			2%		
Prov. Wash.	1.50*	30	32		
St. Paul F. & M.	3.00*	111	114		
Security, Conn.	1.60	32	33		
Springfield F. & M.	2.00	42 1/2	45		
Standard Accident	1.60	33 1/2	35		
Travelers	14.00*	514	520		
U. S. F. & G.	2.00	43	45		
U. S. Fire	2.40	66	68		

*Includes extras.

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FOLLOW NEW ENGLAND

Abolish Priorities Assumption Clause in Midwest

The priorities assumption clause for use with the business interruption forms has been abolished in Illinois and the need for it obviated by a change in the "special exclusions" paragraph of the forms. It is assumed that similar action will be taken in other middle western states. A similar change was made in New England last summer and since then a few other states have followed suit.

The "special exclusions" clause states that the form does not cover additional delay in getting back into business because of "any ordinance or law regulating construction or repair of buildings." In the new forms, the term "any local or state ordinance or law" is used. This makes it clear that the exclusion refers to building and similar codes and not to imposition of priorities, building, material or labor restrictions, etc., imposed by the federal government.

History of Clause

There never has been a court decision on whether the original wording included aggravation of loss due to national restrictions, but this naturally became a major point of speculation as soon as restrictions were imposed during the second war and even during the period of defense activity which preceded Pearl Harbor. Early in 1943, a priorities exclusion clause, which specifically denied coverage for aggravation of loss due to priorities and other government restrictions was made mandatory on all business interruption and other "time element" contracts in all but a few states, unless the rate was doubled. A few months later, a priorities assumption clause, specifically assuming liability for such increase of loss, was made available on policies written at the double rate. In August, 1945, this rule was withdrawn and it became permissible in most state to attach the priorities assumption clause without additional charge. Because the government retained some wartime powers to impose restrictions and because it never was certain whether the old "special exclusions" clause applied to federal regulations, many agents and brokers insisted on using the assumption clause.

The new language of the business interruption form makes it clearly unnecessary.

For the past few months, there has been considerable speculation as to whether the priorities exclusion clause, removable at an increased rate, will be revived. Undoubtedly it will if the government restrictions become serious. The action in Illinois and other states, however, will not affect anything which might happen along these lines. It simply makes one more endorsement unnecessary whether or not rates might eventually be increased to provide full coverage.

Brazda Acquitted of Fraud

Willis W. Brazda of Fremont, Neb., former insurance man and former manager of two finance companies there, was acquitted in federal court at Omaha on all four counts of conspiracy and fraud on which he was tried. The foreman of the jury said that members felt that "evidence wasn't shown to prove that Mr. Brazda had intended to defraud."

His attorney, Emmet Murphy, said in court that his client had lost everything in cleaning up the financial dealings between his company and First Bancredit Corp. of St. Paul.

The company now has a civil action against the Brazda companies for recovery of some \$500,000 alleged to have

been lost in rediscounting notes and mortgages originating with Warren Scherer, Pilger, Neb., implement dealer, who was originally indicted with Brazda by a federal grand jury on 11 counts.

American Legion Sampling Shows 87.4% Carry Auto

A national mail survey of a sample of 10,000 American Legion Magazine subscribers shows that 87.4% of car owning families carry automobile insurance, and that the distribution of their purchases is as follows:

Farm Bureau Mutual Auto 8.2%, State Farm Mutual Auto 6.7%, Farmers Mutual Auto 6.4%, Travelers 4.9%, Aetna Casualty 4.2%, Hartford Accident 3.7%, Allstate 3.3%, A.A.A. 2.9%, Lumbermens Mutual Casualty 2.1%, Hardware Mutuals 2%, State Automobile Mutual 1.8%, and General Motors 1.2%. The remaining 52.6% purchased from other companies, each company representing less than 1% of the sampling.

Of the sample 50.8% carry health or accident insurance, 12.6% carry "household accident" insurance, 59.7% carry household fire, 20.4% carry liability, personal and property insurance, 16.6% carry theft insurance, and 72.8% of all



Pictured at the all-industry dinner of Rocky Mountain chapter of C.P.C.U., left to right: L. Allen Beck, Denver, chapter president; J. Dewey Dorsett, general manager Assn. of Casualty & Surety Companies; W. Rex Kerr; Dean Harry J. Loman of the American Institute; C. Neil Macdonald, and Walker A. Garrott, chairman of arrangements. Messrs. Kerr and McDonald are two of the new designees.

responding carry automobile insurance. To show the characteristics of the "Legion market" 2,250 questionnaires were tabulated. The distribution of the respondents was interesting, many of them living in cities under 25,000. This break-down was: under 1,000 18.10%; 1,000-2,499, 12.44%; 2,500-4,999, 9.87%; 5,000-9,999, 10.1%; 10,000-24,999, 12.29%; 25,000-49,999, 7.3%; 50,000-99,999, 6.46%; and 100,000 and over, 23.44%.

Charles E. Mosler has joined the Souder agency of Indianapolis as special representative.

The year soon coming to a close, we take this occasion to say,

Thanks for Everything

to our numerous agents and brokers
whom we have had the privilege of serving.

We wish to express our appreciation to those loyal friends who made it possible for us to enjoy OUR BEST YEAR.



OUR Best Wishes FOR A Merry Christmas
AND A Happy AND Prosperous New Year!



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CHICAGO 4, ILL.
TELEPHONE WAbash 2-3622

REISCH Building
SPRINGFIELD, ILL.
Phone Springfield 8-4305

Bermuda Trip for N. C. Mutual Agents

North Carolina Assn. of Mutual Insurance Agents will hold its annual convention as a cruise to Bermuda next May on the Furness liner "Queen of Bermuda." The ship will leave Norfolk at 4 p.m. Saturday, May 26, arriving in Bermuda May 27, and will be used as a hotel during the stay in Bermuda, which will be two days and one night. The group will leave Bermuda May 29 and deboard at Norfolk the morning of May 31.

Although some insurance companies and company organizations have conducted meetings of this type, this is the first time any agents association, stock or mutual, has undertaken a meeting on this scale. It has been discussed for some time and a large crowd is expected. Meetings will be held on the ship, which has ample facilities for such sessions, in addition to its luxury entertainment features. Registrants, if they wish, may begin and end the cruise at New York instead of Norfolk, adding one day to each end of the trip, and it is expected that some eastern company officials will do this. H. R. Randall, Raleigh, is president of the North Carolina association and the cruise is under the management of United States Travel Agency, Inc. of Washington.

Blanks Committee to Meet at N. Y. April 2-5

The blanks committee of National Assn. of Insurance Commissioners will hold its next meeting at the Commodore Hotel, New York, April 2-5.

Associated Reciprocals Move into the Suburbs

Ernest W. Brown, Inc., corporate managers of Associated Reciprocal Exchanges and Arex Indemnity moved this week from its present address at 261 Fifth Avenue, New York, to its new office building on Westchester Avenue in Port Chester, N. Y.

The new building is three stories in height and is constructed of reinforced concrete, faced with red brick and limestone trim. It is air conditioned and has soundproof ceilings. Desks, files and other furnishings are all of fire-resistant materials. All areas are protected by automatic sprinklers. There is a public address system, ultra-modern kitchen and cafeteria with a terrace for outdoor meals, wired music and first

aid rooms. A stage in the cafeteria can be used as a meeting room or opened to convert the whole space into an auditorium. Adjoining the main building is a laboratory for testing and developing new fire protection and fire fighting materials and methods.

The tract is being landscaped and its 20-acre area will be developed into recreational facilities for the staff.

New Hampshire Profile Club Has Anniversary

One of the oldest insurance social groups, the Profile Club of New Hampshire Fire, celebrated its 50th anniversary and a complimentary dinner was tendered the organization by the company. About 250 home office employees took part.

At the head table were seated four of the charter members, three of whom are still in the active service of the company, these being Secretary George A. Dewey, Treasurer George W. Swallow and Assistant Secretary John M. Lyons. The president of the Profile Club is Leslie S. F. Brown.

The club was started in 1900 when the company had about 25 male employees. At that time, there were only two young women employed at the home office. Now with over 250 employees, the girls outnumber the men.

Flynn Speaks at Washington

WASHINGTON—Publications of the National Underwriter Co. were given a boost by Frederick J. Flynn, Jr., of Flynn Associates, New York, in addressing the December meeting of District of Columbia Insurance Agents Assn.

Discussing "Analysis of Customers' Accounts," the speaker recommended the agents use the Agents & Buyers Guide, Insurance Survey, and the Fire, Casualty & Surety Bulletins, in connection with the making of insurance surveys particularly.

Henry Dudley, vice-president, presided.

Victor O. Schinnerer announced receipt of 41 paid-up subscriptions to the agents' institutional advertising campaign to begin in Washington papers Jan. 2. Fifty sponsors are hoped for, their names to appear in seven advertisements during a three months period.

Opens Indianapolis Branch

Commercial Services, Inc. of Detroit, moral hazard insurance inspecting firm, has opened a branch office at 924 Lemcke building, Indianapolis, under the supervision of Harry H. Hewlett.

John Neville May Be Called

John F. Neville, executive secretary of National Assn. of Insurance Agents, recently was called for his final type physical examination and may be recalled to active service at any time. Mr. Neville entered service as a private in the army but advanced to captain and served in the judge advocate's office. He was in service four years.

Victor Head Underwriter at N. Y. for Fireman's Fund

Anthony J. Victor has been appointed chief underwriter for all casualty lines in the New York headquarters of Fireman's Fund Indemnity to succeed John L. Earl, who has been transferred to Atlanta as assistant manager in charge of the new southern department of Fireman's Fund Indemnity.

Mr. Victor has been with Fireman's Fund since the company was organized. In 1938 he was made manager of the automobile department at New York, and in 1947 he took charge of the new special risks division. Last year he became assistant manager of the agency department at New York.

O.K. All-Risk Form in N.Y.

The all-risk dwelling cover evolved by Transportation Insurance Rating Bureau and filed by National Retailers Mutual has been approved in New York.

The \$50 deductible endorsement, for sale to owners of one family dwellings, covers among other things losses caused by wind-driven rain, snow, sand and dust, landslides or cave-ins, damage caused by household pets, falling trees, underground water pressure, water in leaking foundation walls, overflow from fixtures or leaks from pipes. It covers theft.

F.U.A. Annual Jan. 3

Farm Underwriters Assn. has slated its annual meeting for Jan. 3 at Chicago. H. G. Bannerman, farm secretary of Hartford Fire, is president.

Name Three at Chicago

Anson G. Wilbor, Lester T. Higgins and John W. Howe have been promoted to inland marine superintendents at Chicago by Phoenix of Hartford.

All three have been special agents in the inland marine department at Chicago. Mr. Wilbor has been with the company for 19 years, Mr. Higgins for 12 years, Mr. Howe for 10 years. They will assist Urban M. Lelli, secretary in charge of the inland marine business development department.

K. C. Agents Elect Nelson

Hoyt S. Nelson was elected president of Insurance Agents Assn. of Kansas City at its annual meeting succeeding Sam E. Giles. R. A. Braddock was named vice-president and Fred V. Griffith was reelected treasurer.

Reporting for the crime committee, Morton M. Jones made several suggestions concerning jewelry and other burglaries which were prominent in Kansas City early this year. It was suggested that the association contact underwriting companies with a view toward establishing uniform procedures in having insurable items properly identified and in the offering of rewards.

Asks Competitive Use of Filings

Insurance Brokers Assn. of Massachusetts is sponsoring an amendment to the state regulatory law which would enable all companies to use the form or rates called for by a deviation filing of any other company. The association also is asking that all producer organizations receive notice of all department

hearings on rates and forms and be represented at such hearings.

A. W. Pinkerton Makes Top Neb. Assn. Appointments

Arthur W. Pinkerton, Omaha, president of Nebraska Assn. of Insurance Agents, has appointed executive committee members for the current year. They are G. G. Barker, Omaha, district 1; C. D. Sayre, Lincoln, 2; H. R. Killinger, Hebron, 3; M. A. Boettcher, Columbus, 4; W. R. Barney, Kearney, 5; R. B. Watson, North Platte, 6, and K. Linn, Kimball, 7.

Committee chairmen named include R. M. Byrne, Omaha, conference; Paul Toombs, Omaha, safety; J. D. Fenimore, Scottsbluff, public relations; Ralph Noerrlinger, Fremont, membership; A. F. Blackburn, Grand Island, education, and Ben Joyce, Lincoln, legislative.

Move N. Y. Assn. Office

Headquarters of New York State Assn. of Insurance Agents is being moved to the University building, Syracuse. The new office will be under the direction of John G. Mayer, executive secretary.

State Assn. Service, the premium financing organization operated by the New York State association for the benefit of its member agents, will continue at its present address at Buffalo, under the supervision of Jay W. Rose, secretary-treasurer.

New Ohio Town Index

Ohio Inspection Bureau has just sent out its town index as of Nov. 25. About 3,000 copies have been mailed to the companies, field men and others.

Charles M. Allen of Glasco-Allen has been elected a director of the Wichita Chamber of Commerce.

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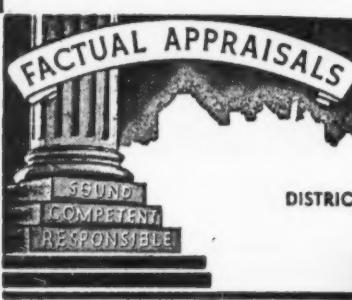
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Commissioner Rummage of Arizona and Commissioner Cravey of Georgia have a chat during N.A.I.C. convention at Los Angeles. Picture by Harry H. Fuller of Zurich.

Deppe C.P.C.U. President

Robert Deppe, Aetna Casualty, has been elected president of the St. Louis C.P.C.U. chapter.

Vice-president is Elmer D. English; secretary, Albert L. Weiss, and treasurer, C. I. Lotshaw.

Portland (Ore.) Assn. of Insurance Agents will complete its course in fire and allied lines Dec. 22. The casualty course will get under way shortly after the first of the year.

Tenant Pays \$39,000 in Fire Legal Liability Case

U. S. court of appeals for the 8th circuit in Standard Brands, Inc. vs. Bateman has affirmed a Missouri district court decision allowing judgment of \$39,875 against Standard Brands for fire damage caused to Bateman's building resulting from the negligence of a contractor hired by Standard Brands.

Standard Brands denied negligence and, as third party plaintiff, filed an action against Midwest Refrigeration, Inc., contending that as an independent contractor employed to service air-conditioning equipment in the building, the loss was caused by the negligence of an employee of Midwest Refrigeration.

The fire occurred after the repairs were completed when liquid refrigerant escaped and vaporized, resulting in an explosion. The appeals court said that when Standard Brands undertook to repair the air conditioning system, its duty without regard to terms of the lease was to make such repairs carefully so as to avoid damage to the building. The district court judgment in favor of Midwest Refrigeration was reversed and the case remanded with instructions to grant a new trial.

Bought Building from Bateman

Prior to Dec. 12, 1945, Standard Brands owned and occupied a store and office building at Kansas City. On Dec. 12 it sold the building to Bateman, Inc., and took out a lease for three years. On June 26, 1946 the building was damaged by fire. The trustees of Bateman, Inc., filed to recover damages. In its answer, Standard Brands filed a complaint against Midwest Refrigeration alleging that as an independent contractor employed to service

the equipment in the building, the fire was caused by the negligence of its servant. Bateman did not make Midwest Refrigeration an additional defendant.

The building was equipped with a direct expansion air conditioning system operated by electric power. A week or more before the fire J. S. Schrader, the maintenance man employed by Standard Brands, reported a malfunction in the system. Midwest Refrigeration, reputed to be experts in the repair and maintenance of this equipment, were called and a service man was sent to make repairs. The service man testified that Schrader showed him what repairs were necessary.

After preliminary repairs, the service man discovered a leak in the bellows of the pressure switch in the basement. He did not have the necessary part with him to repair the bellows, but before leaving he started the motors of the system, and on his return did not pump the refrigerant out of the coils because he did not think it would be necessary. When the repairs were completed the motors were started up again and in the meantime either water or the liquid refrigerant had been coming down from the pipes above into the compressor. The head of the compressor was broken and the liquid escaped into the basement where it vaporized and exploded on contact with a hot water heater about 10 feet away.

Expert witnesses testified that had any one of four essential precautions been taken the explosion would not have occurred.

Lease Provisions Reviewed

The court reviewed the lease on the building, which provided that the tenant should maintain the interior of the building and be responsible for the ordinary operating expense, and, at the expiration of the term, surrender the premises in as good condition as received, reasonable wear and tear and



Lloyd Yandee of Wisconsin Mutual Insurance Alliance; Commissioner David Forbes of Michigan and Austin Carroll, vice-president of Providence Washington, at insurance commissioners convention at Los Angeles.

damage by the elements only excepted.

Another section of the lease provided that "no covenant or contract to repair shall impose upon a tenant the obligation to rebuild or repair any building destroyed by fire without the procurement, connivance or neglect of such tenant, his agents or servants, during the continuance of the term for which such building was leased or let, unless such tenant shall specially covenant or contract to rebuild or repair, in case of the destruction or damage of such building by fire; and an action, suit or process shall be maintained or prosecuted against any tenant or other person, in whose house or apartment any fire shall accidentally begin or take place; nor shall any recompense be made by such person for any damage occasioned thereby, any law, custom or usage to the contrary notwithstanding."

The court stated that under the lease the question of whether or not Midwest was an independent contractor in making the repairs in question is immaterial, the main point being that when Standard

(CONTINUED ON PAGE 29)

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HOTEL WADE HAMPTON	Columbia
TEXAS	
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HOTEL TRAVIS	Dallas
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ANGELES COURTS	San Antonio
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HOTEL MOUNTAIN LAKE	Mountain Lake
HOTEL MONTICELLO	Norfolk

Storm Estimates Up to \$125 Million

(CONTINUED FROM PAGE 1)

for advances under catastrophe reinsurance agreements, where those were written with Lloyds underwriters. Lloyds, it is understood, are executing trust agreements which the direct writers can deposit in the banks here. This will avoid the necessity of debiting surplus in year end statements for non-admitted reinsurance. The storm occurred so near the year end that these "advances" must be to some extent estimated.

The agreement is deposited by the direct writer and drawn on as needed. Ultimately there will be a final accounting, but direct writers apparently are of the opinion that they can guess close enough to avoid the necessity of exhibiting a surplus decline in the annual statement. The New York department permits this. Where catastrophe covers are written in admitted companies, this is of course not necessary.

Formal Procedure

A formal procedure was set up last year for the direct writers with London Lloyds catastrophe covers. It follows substantially what had been informal procedure in previous years. When the cover becomes involved the insurer applies for the estimated amount through Mendes & Mount, attorneys for Lloyds at New York. It executes a trust agree-

ment and submits details of coverage, which are checked. The application then goes to London and the money is remitted through National City Bank. The money is deposited by the insurer under the trust agreement which means the amount must be kept for the specific purpose of fulfilling the catastrophe contract.

One reason for the big rush of applications with Mendes & Mount is the closeness of the year end when figures for statements are prepared. The time has been further limited by the fact that London Lloyds closes at 4 p.m. on Friday preceding Christmas and does not open until the Wednesday following at 10 a.m. Consequently, to have a chance of getting its money through before Dec. 31, insurers have been advised to get their applications in this week at the latest.

At least three reinsurers have applied for an advance with London Lloyds under their catastrophe cover. The number of these claims will be small, naturally. Another factor is that most of the property hit by the storm is carried net, not reinsured by surplus treaties. Thus in many losses the treaty reinsurer will not participate. The direct writer and the catastrophe reinsurer will pay the bill.

It is understood that the catastrophe covers written in Lloyds call for auto-

matic reinstatement of insurance after loss, though there is an additional premium payment due.

It is obvious that with hurricanes in 1938 and 1944 and what must be called a hurricane in 1950 for want of a better description, American insurers are not going to be able to renew catastrophe covers at present rates and that Lloyds is going to insist on larger retentions by the direct writers. This is a six year incidence of catastrophe windstorm in the same general section of the United States, a section that probably has more insurance exposure (especially with the flood of E. C. since Nov. 25) than any other like geographical area in the country.

Many Boost Catastrophe Allowance

One thing that may come out of the storm and its aftermath is a tremendous argument for more than 1% in the rate for catastrophe. The insurance companies themselves have not previously realized how large a catastrophe could occur. They have been selling E.C. in the area since the 1938 hurricane; they did not realize how much until Nov. 25.

Although it is impossible to specify in detail all of the companies that have catastrophe covers in London, some companies voluntarily provide this information. It is known for example that Corroon & Reynolds carries catastrophe excess cover over \$500,000 for all of the companies in the group, the excess amounting to \$2,430,000. That

means that the loss to each of its companies is limited to something more than \$100,000 each. Apparently C. & R. has concluded that the storm will just about exhaust its catastrophe cover total.

Some insurers disclose their general reinsurance arrangements in their annual statements, although this is not required. For example, Corroon & Reynolds does so. Also Aetna Fire showed that during 1949 the parent company alone reinsured \$14,972,558, of which \$4,404,328 was with London Lloyds, probably a substantial share of its catastrophe reinsurance. Another example is Agricultural, with catastrophe excess of loss contract on windstorm coverage for \$500,000 over \$175,000. Automobile carried conflagration coverage with Lloyds of London. Camden carries catastrophe cover in Excess Reinsurance Assn., retaining \$200,000. Commercial Union carries catastrophe cover in London for its group. Excelsior carries a tornado excess policy 90% of \$100,000 over \$25,000 ultimate net loss for each occurrence and a catastrophe excess policy 90% of \$200,000 over \$50,000 ultimate net loss for each occurrence. General of Seattle has catastrophe covers in London. North America has excess of loss covers

Reinsurers' Cover Affected

In addition, some of the professional fire insurers in the U. S. have catastrophe cover with London, and have called for advances under their contracts. Thus not only the direct writers but the reinsurers as well are into the catastrophe coverage. The reinsurers that do not write catastrophe cover but confine their operations to treaty reinsurance (only a few write the catastrophe and a few the spread loss type of contract) will get hit under those treaties. However, their losses will not run up the final ratio for the year substantially and 1950 will still go into the books as a profitable one for them. With the direct writers, of course, they face increased rates, higher retentions in the coming years.

The catastrophe market as it has been may not be available in the future, some observers think. The storm loss already has had a heavy impact on the way executives regard the question of the \$50 mandatory wind deductible. It is possible, according to one executive, that the catastrophe market will insist on a deductible—as well as a big increase in the primary insurer's retention, a smaller amount of catastrophe insurance and of course increased rates. The storm may give rise to argument for a higher deductible along the coast as in Florida and Texas where it is \$100; or for higher rates along the shore, such as used to prevail.

Reports Still Coming in

Executives of individual companies and groups still are hesitant about estimating the number of losses and the total loss for their firms because there is still a flood of claims and loss reports coming in every day. The volume of such reports began to taper off Dec. 12 but is still substantial.

A real difficulty is that the reports in the main are coming in without estimates. This means that insured, adjusters or agents have been unable to get a contractor to look at the property and figure what it would cost to put it back into condition.

The executives must set up reserves on the basis of judgment. This means they are making their guesses as well informed as possible, but they are still in the category of guesses where no estimates accompany loss reports. They may know that the loss is in a fairly well to do district and that the reserve should be higher than on losses that

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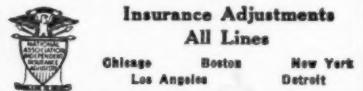
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are coming from the poorer districts. They can also tell something from following closely the estimates that have come in as a result of this storm.

This is the pattern that losses and reports as a result of the Florida hurricane. Some losses were reserved at \$300 to \$400 that later turned out to be \$2,000, though in general the total reserve put up for the Florida storm may work out about right. Some are coming in at a figure less than the reserve.

Demand for E.C. Heavy

Stamping offices operated by rating bureaus throughout the east report literally hundreds of extended coverage endorsements coming through for attachment to outstanding fire policies. Many of the stamping offices are working at night to keep up with the rush. Emergency orders have gone through to the printers for more E.C. endorsement forms. One bureau last week reported that it was out of them at headquarters, though there was enough of a supply in the stamping offices to keep going for a few days.

Two agents already had been following the practice of putting extended coverage on automatically. Then if insured wrote back and declined the coverage, the agent had his refusal on file. There are many reports of other agents adopting this practice since the storm.

An official of one company urged that publicity be played down on the storm; companies should get off the radio and television. He said people were coming into his office with losses that they didn't know were covered.

This viewpoint is seldom expressed these days, however. Mostly it is the same attitude as was reflected in the answer which a vice-president received. This was: These insured have the cover, they ought to be paid. That is what insurance is for.

There is a vast educational process going on, the effects of which will be

felt for many many years. Insured are learning what is covered, and what is not covered. This is all to the good. Most resentments with respect to insurance are based on misunderstandings. One incident in this connection was the call that a company man received from an insured who had a keg of cider blow up. The insurance man said yes he thought it was covered, that explosion is covered in the contract, and this was an explosion. The loss was paid.

General Adjustment Bureau as of Dec. 12 had typed and indexed 105,000 files. There were many thousands of assignments on hand at that time for which files had not yet been made, and new assignments were coming in in tremendous daily quantities. Each of 41 out of 51 offices in the territory affected had received considerably more than 1,000 losses. In each of 12 branches the number approximates 5,000 and in three more than 10,000 each.

Insured Submit Questions

Questions companies received from insured after asking for them over the radio and by television, were not especially numerous and generally intelligent. One was whether E.C. insured trees which did not damage property. The answer was no. Another wanted to know if E.C. covered a broken antenna; yes. One question dealt with cracked foundations, drains and roofing. Another had four down spouts blown off, and "all my heating was destroyed. All my furniture was ruined, the windows were broken and the shutters and canopy are gone." Another had roof shingles severely loosened. Still another had a tree fall across his car.

The question in all cases was, does E.C. cover? In most cases it did. One citizen had his roof damaged. He did not have E.C. Another insured had several shingles off, and water seepage had spotted the upholstery and ruined

the wall paper. Apartment dwellers generally asked about television antennae.

A tree fell through the roof of an insured's garage. He wondered if the garage was covered. Was the car inside, which was also damaged, covered? Were the windows covered? The garage and windows were and any interior damage done by rain blown in as a result of the break in the protective roof or wall. However, E.C. did not cover the car; that would be covered by his automobile comprehensive policy, if he had one. There were a great many tree and shrub questions.

Another insured had his roof caved in. On one property a tree was uprooted. As the roots and base went up into the air it broke a sidewalk. That was covered. One questioner reported two windows busted and a friend cut by flying glass. He may have had a comprehensive personal liability with medical payments or had heard of it because he asked if E.C. paid the medical payments. The wind up-ended the friend of another insured. Did E.C. cover the medical payments?

In several instances apartment dwellers were without heat for some time. Some of them went to hotels. E.C. of course does not provide contingent coverage under such circumstances.

Brokers' Advice

National Assn. of Insurance Brokers has advised all its members to remedy any misunderstanding among clients which may have been caused by recent sweeping statements with respect to losses suffered in the windstorm. Because of these statements, the association pointed out, many of fire policyholders with E.C. may mistakenly conclude they cannot recover certain losses.

Citing comments which have received widespread publicity to the effect that certain losses such as frozen water pipes or food spoilage in freezer lockers caused by power failure are not re

coverable, or are not recoverable unless as a direct result of the wind blowing down the building's lead-in wire, the brokers' statement to members advised that no such sweeping statements seemed justified. Each case should be considered on its merits, it was emphasized. Essentially it is a question of fact as to whether the wind was the dominant and actual cause of the loss suffered. If so, the association's counsel advised member brokers that the assured might be entitled to recover under extended coverage endorsements.



C. A. Barkie, who becomes manager of the newly established New York department of American Casualty, has been assistant U. S. manager of Accident & Casualty, which recently purchased control of American.



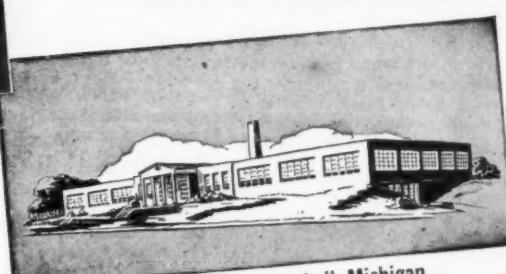
Home Office:
Bloomington, Illinois



Western Office: Berkeley, California



North Central Office: St. Paul, Minn.



Michigan Office: Marshall, Michigan



West Central Office: Lincoln, Neb.

These strategic locations mean more efficient service
for our nearly two million State Farm policyholders

STATE FARM INSURANCE COMPANIES



State Farm Mutual Automobile Insurance Company

State Farm Life Insurance Company

State Farm Fire Insurance Company

I.A.C. Spring Meeting

The spring meeting of Insurance Advertising Conference at New York will probably be held April 1-2. The executive committee at its recent meeting at New York, decided to emphasize recruiting activities and undertake to swell the membership roll. Harry V. Carlier, assistant secretary of Northern Assurance, is in charge as membership chairman.

WANT ADS

Rates \$12 per inch per insertion—inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago case—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER
Life Insurance Edition

FIRE PROTECTION ENGINEER

One of the Nation's leading fire and casualty companies is interested in securing the services of a man to work in the field inspecting fire risks. Territory covers the midwest with headquarters in the Minneapolis-St. Paul area.

Applicant must be familiar with Dean Schedule and with fire-rating and inspection.

Replies should include age, experience, education, references, and salary desired.

Address C-96, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

INSURANCE EXECUTIVE

25 years successful experience in production—organization and executive capacities in casualty and general lines of insurance.

Services immediately available. Address C-94, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FOR SALE
BURROUGHS 5 REGISTER POSTING MACHINE

Set up and forms laid to handle entire accounting process in a small company. Handles up to 2 million premium volume. Nine years old. Priced to sell.

Frankenmuth Mutual Auto Insurance Co.
Frankenmuth, Michigan

PASADENA OFFICE SPACE

Office space available in Class "A" building on most important corner in Pasadena. From 200 to 20,000 square feet. Parking. Write T. D. Rogers, 9014 Wilshire Blvd., Beverly Hills, California.

SPECIAL AGENT WANTED

by large Mutual Fire Insurance Company for territory in deep South. Field experience or Rating Bureau experience preferred. Replies will be held in strictest confidence. Address C-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

STATE AGENTS

Aggressive stock fire insurance company fleet has openings in North and South Dakota for experienced field men. Wonderful opportunity. Replies strictly confidential. Our employees know of this ad. Address C-92, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MINNESOTA STATE AGENT

Stock fire insurance company fleet requires experienced field man. Do not have field man in Minnesota at present time. Excellent opportunity for conscientious worker. Replies confidential. Address C-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

NEWS OF THE COMPANIES

Millers National
May Build New
Home Office

Millers National and its running-mate, Illinois Fire, are investigating the possibilities of constructing a new home office building on the north 200 feet of land owned by the Saddle & Cycle Club of Chicago at Sheridan Road just south of the Edgewater Beach hotel. The company has an option to buy the land for \$110,000, or at the rate of \$550 a front foot.

If the company decides to go ahead with construction, the new building, as planned, would be a two-story structure costing about \$300,000. The home office of Millers National and Illinois Fire is now in the Board of Trade building, Chicago. The new home office building would be of light face brick and reinforced concrete construction, having 28,000 square feet of floor space compared with the present 20,000 now used. The general offices would occupy the first two floors and the executive offices would be in a setback third story. The terrace of the roof would be landscaped surrounding the setback story.

The architect's plans call for a 170 x 60 foot building set back 16 feet from Sheridan road, and 10 feet from Berwyn avenue. East of the building there would be a 70 x 200 foot parking lot.

Heering Named Netherlands Head Office Chieftain

P. Heering, deputy general manager of Netherlands at the head office, has been appointed general manager to succeed J. G. H. Sauveplanne, who has resigned. Mr. Sauveplanne has been elected a director.

W. L. deBruyne, assistant manager, and M. L. Alberti, manager of the accident company, have been appointed managers in addition to G. J. Buijs and H. van Manen, who already serve in that capacity.

J. van der Velden, foreign manager, has been named assistant manager at the head office.

Van Horn Calvert Fire Head; Wareheim Now Chairman

Henry L. Van Horn will become president of Calvert Fire, subsidiary of Commercial Credit Co., Jan. 1. E. C. Wareheim, who in addition to his duties as president of Commercial Credit has for many years acted as president of Calvert Fire, will move up to chairman of Calvert.

Mr. Van Horn, who has been executive vice-president and a director of Manufacturers Casualty, is a member of the insurance law commission of American Bar Assn. and a certified public accountant. He was for 14 years with Joseph Froggatt & Co. Manufacturers Casualty was one of the Commercial Credit insurance group until sold to Trans-America Corp.

Mr. Van Horn will move to Baltimore, where he has a wide acquaintance among insurance men.

American Advances Four in Home Office Posts

American has elected Charles A. Kirkland, Jr., a secretary and Samuel H. Reiter and Frank H. Buck assistant secretaries.

Mr. Kirkland attended Colgate and entered insurance in 1932 with Royal Liverpool in the fire underwriting unit. In 1933 he transferred to the marine division. From 1935 to 1937 he traveled New Jersey and Ohio as special representative. Joining American in 1937, Mr. Kirkland was appointed assistant

manager of the marine department. In 1942 he became manager and in 1948 was elected an assistant secretary.

Mr. Reiter joined American in 1912, serving in the accounting department, and later in the brokerage and service department. In 1923 he became a special agent in New Jersey. He was made state agent for New Jersey in 1939, and in 1949 was appointed a field supervisor.

Mr. Buck attended the University of Pennsylvania. He has served as assistant superintendent of the payroll audit department, as assistant superintendent of casualty underwriting, and as superintendent of the automobile department. He was named manager of the home office automobile department in 1949.

Archibald Murray has been named superintendent of the marine-burglary department at American's home office. He studied at Rutgers and Columbia before entering insurance in 1935. He joined American in 1947 in the marine-burglary department after extensive experience in loss, ocean and inland marine work. In 1949 he was appointed supervisor of the department.

Declare Dividend on New Fireman's Fund Stock

The Fireman's Fund two-for-one stock split, under which two new shares of \$5 par will be given in exchange for each share of \$7.50 par now held, has been approved by the shareholders and a quarterly dividend of 40c a share on the new, two million shares was declared by the directors. The dividend will be paid Jan. 15 to stock of record Dec. 29.

Dividend Is Increased

Reinsurance Corp. of New York has declared a regular dividend of 15 cents per share and an extra 15 cents, payable Dec. 22 to stockholders of record Dec. 14.

Total dividend payments for 1950 amount to 45 cents per share, as compared with 40 cents in 1949.

Fla. Home Now in Business

Florida Home of Miami has completed its organization and is now writing business throughout the state. The company is restricting itself at present to fire and extended coverage, but in about a month will add automobile. Production is being handled by Florida Underwriters, Inc. of Miami, of which Francis J. Walker is president. Fred C. Bertaux, local agent at Ft. Lauderdale and Miami, and former secretary of Hanover, is president. The chairman is Thomas J. Bomar, president of Dade-Commonwealth Title Ins. Co.

Florida Home has \$300,000 capital and \$450,000 net surplus through the sale of 30,000 shares of \$10 par value stock sold at \$25.

To Write Full Cover Auto

Grain Dealers National Mutual Fire enters the full coverage automobile field Jan. 1 when it starts writing the auto casualty coverages. At present only physical damage is written on the class. It has been writing that coverage since 1916. Arrangements have been completed in all but a few states to issue the full coverage policy. All automobile coverage will be written on the participating plan.

Guy Drane, who has been with Marsh & McLennan at Chicago 50 years, is retiring from active duty. He started with the organization when it was known as Marsh, Ullman & Co. Previously for a year he had been with the old N. J. Bennett agency in the Calumet building at Chicago. He was Marsh & McLennan's first and only draftsman. For the past 28 years he has been handling important utility ac-

counts for M. & M. He has a number of hobbies including oil painting and making pen and ink sketches and he is a regular contributor to the Chicago "Tribune" Wake of the News under the style of "Guy of Glen Ellyn."

William B. Brown, the territorial treasurer of Hawaii and insurance commissioner, and J. Edward Day, Illinois insurance director, found themselves on common ground at the N.A.I.C. meeting at Los Angeles. They were Harvard law school students at the same time.

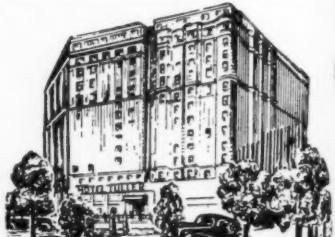
Richard C. Allgood, executive secretary of Nebraska Assn. of Insurance Agents, received fractures of the lower jaw and three ribs when his car turned over in loose gravel near Madison, Neb. He was en route to a legislative meeting at Albion. The accident occurred when he swerved to miss a tractor driven by a farmer and lost control of his car when it hit a rut.

Donald J. Spencer has joined his father, E. Judson Spencer and his older brother, Edwin R. Spencer, in the brokerage firm of Spencer & Spencer, Chicago. Upon his return from military service, Mr. Spencer spent nine months at the head office of General Accident and for the past three years has been associated with his father.

The annual meeting of Western Conference of Special Risk Underwriters has been set for Jan. 5 in Chicago. George Whitford, secretary of Fire Association, is chairman. Will S. Ellis, fire manager of Royal in the western department, will discuss plans of the conference for 1951.

New York Fire Insurance Rating Organization by shifting to payment every other week instead of twice a month has effected a salary increase of 8 1/2%.

W. H. Kreidler and W. R. Dignan of Cincinnati were presented plaques, awarded by Ohio Assn. of Insurance Agents for meritorious service during the past year, at the December meeting of Cincinnati Fire Underwriters Assn. last week.



In the HEART of
DETROIT
Facing Grand Circus Park

First thing to do in Detroit is check in at Hotel Tuller! You'll enjoy every minute. Newly modernized. Beautifully decorated. Within walking distance of all downtown stores, theaters and business activities . . . yet, you enjoy the ever-green atmosphere of Grand Circus Park . . . The Tuller Coffee Shop or Cafeteria for excellent food modestly priced.

VISIT OUR
COCKTAIL LOUNGE
ONE OF DETROIT'S FINEST
800 ROOMS
from \$275
Harry E. Paulsen, Mgr.

**HOTEL
TULLER**

NEWS OF FIELD MEN

Neuberg Retires, Mulcahy Takes Over Wis. for National

Louis L. Neuberg, state agent in Milwaukee county, Wis., for National Fire, is retiring at his own request under the group's retirement plan, and T. L. Mulcahy, state agent, will assume supervision over Milwaukee county in addition to the balance of Wisconsin and the upper peninsula of Michigan.

Mr. Louis Neuberg has had more than 30 years of service with the western department of National. He started in July, 1900, as an office boy, and after working up through various positions in the Chicago office, was appointed special agent in Minnesota and North Dakota. In 1920 he was promoted to state agent in Wisconsin; and in 1944 the Wisconsin field was divided and Mr. Neuberg was assigned to handle Milwaukee county and given supervision of the Wisconsin service office.

Mr. Mulcahy has been with National since 1931. He started as an examiner in the western department office and was made farm special agent in 1932, traveling in various states until he was permanently assigned as special agent in Wisconsin in 1934. In 1944 he was promoted to state agent.

Special Agents E. H. Lyons, R. G. Mielke, C. G. Schaefer, and Dietrich will continue to be associated with Mr. Mulcahy.

Burton Retiring as Home's S. D. Manager, Dana Named

Burt Burton, manager for Home in South Dakota, will retire Jan. 1, and will be succeeded by Clarence E. Dana, state agent.

Mr. Burton joined Home in 1923 as a special agent in South Dakota. In 1929 he was made state agent and in 1947, manager of South Dakota.

Mr. Dana joined the company in 1930 as a farm special agent. He was transferred to the recording department in 1937 and was made state agent for South Dakota in 1949.

Elkin St. Louis Speaker

H. A. Elkin of Springfield, Ill., deputy most loyal gander, brought greetings from the grand nest at the December luncheon meeting of St. Louis Blue Goose.

It was announced that almost half of the members of the St. Louis pond have agreed to contribute to the special fund being raised to help the Heart of America pond at Kansas City finance the grand nest meeting there in 1955.

A special bowling match between teams representing the St. Louis and Heart of America ponds will be held at Jefferson City Jan. 24.

Mikolavich in New Post

Ivan P. Mikolavich has been named special agent in the San Joaquin valley, California, for National Union Fire, with headquarters at Fresno. He succeeds Jack Lelich, who resigned to enter the local agency business in Michigan.

Mr. Mikolavich formerly was a surveyor for Pacific Fire Rating Bureau.

Omit December Meeting

The December meeting of the New Jersey Fieldmen's Assn. will be omitted, due to the pressure of windstorm loss work.

The next meeting will be held at Newark Jan. 22, when officers will be elected.

Dithmer Is Ohio Speaker

Eighty members of Ohio Fire Underwriters Assn. attended the December meeting and heard Walter Dithmer, assistant manager of Western Underwriters Assn., give an illustrated talk on pub-

lic relations. It was decided to hold a special public relations meeting Jan. 16. An effort will be made to get new men in the field to come in.

Curley to Eastern Field

Dubuque F. & M. has named Richard J. Curley special agent in the New England and eastern New York field, with headquarters at Springfield, Mass. He will assist State Agent E. J. Remington. Mr. Curley joined the company at the home office in 1949. He is a navy veteran.

Wash. Assn. Slates Johnson

Washington Fire Underwriters Assn. at its annual meeting at Seattle Jan. 5, will vote on the following slate of officers: M. C. Johnson, Phoenix-Connecticut, president; Mark T. Perry, Boston, vice-president; Van C. Griffin, Glens Falls, secretary.

George Steeple Retiring

George Steeple, special agent of Home at Wichita, is retiring. He joined the company in 1924 and has spent his entire insurance career in Kansas.

The operations of the Wichita office will remain under the supervision of Manager Curtman Maupin at Topeka.

NEW YORK

New York C.P.C.U. Chapter Names Kaplan President

J. George Kaplan of Forman & Kaplan was elected president of the New York C.P.C.U. chapter at its annual meeting.

Charles R. Jameson, Aetna Casualty, was elected vice-president; Walter A. Strauss, Royal-Liverpool, treasurer, and Julius B. Seaman, Home Indemnity, secretary.

E. A. Toale, educational chairman, who is assistant director of education and research of N.A.I.A., said his committee is working in close cooperation

with Insurance Society of New York and that 315 C.P.C.U. candidates are attending eight society classes.

There are now 49 active members in the New York chapter, 21 of whom received their designation in 1950.

TWO BIG LONG ISLAND FIRES

Two fires, both causing damage in excess of \$100,000 occurred on Long Island. One, which caused \$100,000 damage, destroyed a large part of the Wallace R. Post lumber yard at Rockville Centre. The lumber company carried \$75,000 insurance. The second involved the East Meadow elementary school. Damage was placed at \$132,000.

Would Merge Ia. Insurance Division in New Department

DES MOINES — The Iowa "little Hoover" committee has recommended in its report to Gov. Beardsley that the insurance department, including the security division, the state banking department, the building and loan division and the real estate department be merged into a single department of finance. The recommendations will be

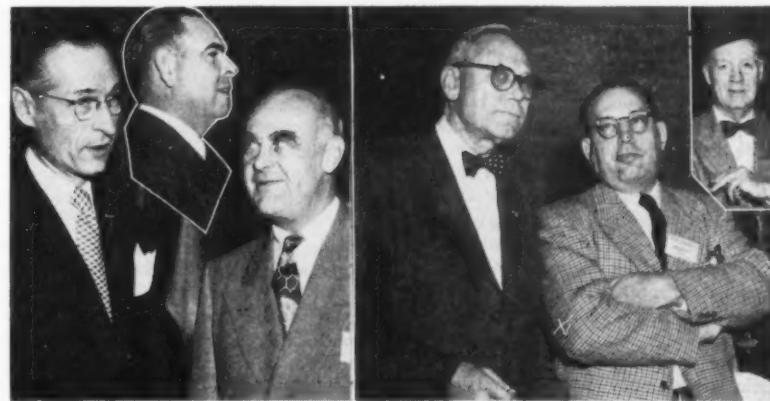
submitted to the legislature when it convenes next month, for its approval. The committee recommended that a single director to be appointed by the governor should administer the department of finance.

In its recommendations the committee said all of the divisions proposed to be merged are "engaged in a common purpose, that of protecting the public in its investment of funds." It said "there is little point in the superintendent of banks ruling that the member banks may invest in such and such a security, when perhaps the insurance commissioner may say that such an investment is not eligible to be made by insurance companies."

The committee was set up by the last legislature. Charles R. Fischer, former insurance commissioner, served as its executive secretary.

Thoren Goes With Opie & Co.

Robert H. Thoren, formerly with the insurance department of R. E. Anderson & Co., has been appointed manager of the insurance department of W. H. Opie & Co., Tacoma. He entered insurance with the Les D. Mitchell agency at Tacoma in 1946 following army service.



Dignitaries at insurance commissioners convention at Los Angeles as photographed by Harry H. Fuller of Zurich: A. J. Bohlinger, New York superintendent, and Ed. Larson, Florida commissioner, with R. E. Dineen, vice-president of Northwestern Mutual Life (inset); Frank Sullivan, Kansas commissioner and N.A.I.C. vice-president with R. R. Brown, veteran Kansas fire actuary, and Newell Johnson, associate general manager of American Mutual Alliance (inset).

We had a caller the other day

He is a pretty big Central producer and he set us thinking.

"You know," he said, "there's not a whole lot of difference in the policies each company issues. What I like about Central is that extra something I get in all my Central dealings."

Well, we thought about all the fine advertising portfolios we send our agents and brokers, about our general advertising campaigns which promote their business, and about our effective sales tools like the Household Inventory and Planalysis. So we proudly mentioned these things. It kind of took the wind out of our sales when our visitor said that wasn't what he meant at all.

"No," he said, "I mean it's just the friendly family feeling I get when writing or phoning the Central home office or talking to a Central special agent. I feel that I'm part of The Central and that The Central is interested in me and in everything I do. I don't feel like a Central 'agent.' In my home town I feel like I am The Central."

Come to think of it, I feel that most of our producers feel that way. It's a feeling that just grows. And I believe that is why we have just about the finest group of agents and brokers in the world representing The Central. We'd be glad to share that friendly, family feeling with you. Write us.



EDITORIAL COMMENT

The Old Time Religion

We came up with a start the other day at the passage in the presidential message of J. A. Bogardus at the annual meeting of American Institute of Marine Underwriters taking to task some of the freshmen marine underwriters for hungry rate cutting. He vouchsafed that the ocean situation allows for no such

trifling with the tariff. We had to shake ourselves to remember that it isn't necessary for marine speakers to clear their manuscripts with Howard McGrath and that what would be shocking medievalism and a wart on the nose of progress in fire insurance is simply the old time religion in marine insurance.

The Gods Are the Best Gatekeepers

As Gulliver's creator, Jonathan Swift describes it in his "A Tale of a Tub," an ancient and perhaps original definition of a critic was as a man who sets up standards of adequacy in a field where no formal standards have existed and measures performances against these standards. In this trail-blazing sense, the men who set the admission standards for the various professional insurance associations are in the role of critics, especially for those groups which require applicants for membership to pass written examinations or write acceptable theses. The men who make up and pass on such tests or projects might also be characterized as gatekeepers. The wisdom which they display in manning the membership gates has a profound effect on the future of the professional insurance organization. The success in recent years of the examination-requiring insurance groups in enhancing their prestige, in increasing their membership and in contributing through education, research and cooperation to the insurance business is final evidence that these gatekeepers or whatever you choose to call them have been performing well a difficult role.

The role is enormously complicated as are most other jobs because the men who must pass judgment are human beings and must guard against themselves. There is a natural tendency on the part of any man who has won his way into an organization to want to make that association as exclusive as possible. Any formal group with definite standards for membership subconsciously runs the danger of a drift toward increasingly rigid selection and exclusiveness. An insurance society is dependent upon the insurance business and on individual insurance men for its support, growth and significance. There is danger that the organization which becomes too ingrown will alienate both the business and the individuals within it, so those who devise and pass on entrance examinations have got to make

sure that admission tests are fair, realistic, practical and of a current nature. They've got to be on guard against purely academic exercises or torture for torture's sake.

Just as dangerous as the temptation to build walls too high to protect present membership against immigration is a tendency to chop admission hurdles down so far as to permit almost any man to get in whether or not he is a professional in the field. Standards have to be high enough to insure that men of capability and competence are being fed into an organization. Setting up and passing on entrance requirements calls for the utmost care and niceness in determination of what man is fitted for membership in a society and what man has not as yet reached the professional level. Failure to pass can be a professional tragedy to a man. The responsibility of the graders is that of the Gods, who wisely have dodged the task.

Concomitant with determination of entrance standards is the problem that faces the members of a professional insurance association in deciding how it will conduct itself in the insurance world. Considerable delicacy of judgment is demanded. Here again the professional organizations have generally distinguished themselves. They have recognized that their operations must be carried on with dignity and with a certain sense of the importance of the role which a professional organization must play in elevating the general standards of the business. However, these organizations have not gone overboard and assumed poses of Olympian aloofness, of infallibility, or of unimpeachable augustness. They have realized that respect can be accorded only that organization which has earned the admiration of those inside and outside of it. Those who have guided the policies of the insurance professional organizations have been fully aware of the importance of their mission, but have retained that ob-

jectivity which has kept their associations amenable to improvement, dynamic and

fitted for the role of improving the breed of insurance men.

PERSONAL SIDE OF THE BUSINESS

Waldo Ames of Moore, Case, Lyman & Hubbard, Chicago, has been appointed chairman of the education committee of Illinois State Chamber of Commerce and **C. L. Morris**, executive vice-president of Illinois National Casualty, is named chairman of the organization's service committee.

Frank J. Viehmann, Indiana commissioner, is completing the initial part of his recovery at Methodist hospital at Indianapolis from a gall bladder operation. It is expected that he can be removed to his home this week.

Harold A. McKenna, resident manager of the Phoenix-London group at Chicago, is spending the holidays at Los Angeles.

Kazuo Kage, Maui representative of Home of Hawaii, was a member of a 24-man Hawaiian delegation visiting Washington to promote statehood for Hawaii. He was a delegate to the constitutional convention which framed Hawaii's constitution. He visited the New York office of Royal-Liverpool.

Les Herold of R. B. Jones & Sons, Chicago, has returned to the office after an absence of six months following a serious operation. He has been with this firm for 13 years.

Ralph Tanger, head of the marine department of Security of New Haven, has now left the hospital after several weeks' confinement following a very serious abdominal operation.

Carl V. Rutledge, state agent of North British at Denver, celebrated his 25th anniversary. Headed by William T. Ferry, his office associate, a group of agents tendered Mr. Rutledge an anniversary luncheon at which Mr. Ferry presented him the Norbit Guards articles of association and an inscribed gold wrist watch on behalf of the company.

A. H. Kleffman, Hibbing, Minn., local agent and former secretary of the Minnesota compensation insurance board, has been confirmed as collector of customs at Minneapolis.

A number of **retired insurance men** residing in the Los Angeles area dropped in to visit old friends during the insurance commissioners' convention at Los Angeles. Among this group were Claude Fairchild of San Diego, retired general manager of Assn. of Casualty & Surety Companies; John McGinley, who retired in 1939 as vice-president in charge of the New York department of Travelers; Arthur Stooff, agency superintendent of Ocean Accident, who retired just a few months ago; Walter Sawyer, who was state agent for Fireman's Fund at Cleveland, and L. C. Hilgemann, formerly of the Leedom, O'Connor & Noyes agency, Milwaukee.

W. K. von Weiler of Royal Oak, Detroit special agent for Auto-Owners of Lansing, has been appointed honorary Netherlands consul for Wayne, Oakland and Macomb counties, with headquarters at Detroit in the Auto-Owners building. Mr. von Weiler has been serving as

attaché to the consulate in Detroit. He was born and educated in the Netherlands, completing his business training at Hamburg, Germany. He came to the United States in 1923.

Paul Laymon, general counsel of Standard Accident, and Mrs. Laymon, stayed on at Los Angeles after the N.A.I.C. meeting to be with their son, **Fred Laymon**, and his family over Christmas. Fred Laymon is with U. S. F. & G. in the claims department at Los Angeles.

John D. O'Brien, who has been named head of the automobile underwriting department of Providence Washington, has been in the Connecticut field for that company. He is a graduate of Tufts College and also attended Hartford College of Law. He was formerly with Hartford Accident as automobile underwriter and special agent. He is a former intercollegiate wrestling champion. His brother Richard J. O'Brien, is assistant superintendent of agencies for Bankers National Life.

E. S. Gard, independent adjuster at Chicago, this month celebrates his 30th anniversary in the adjusting field. He entered the claims division of the Yellow Cab Co. in 1920 and was its chief claims agent prior to establishing his own firm nine years ago. He has just moved his Insurance Exchange building offices to larger quarters in room 511.



John D. O'Brien

Donates Collection of Books on Earthquakes

Forty articles on underwriting earthquake insurance form part of a collection of some 150 books on seismology and allied subjects which has been presented to the Insurance Society of New York library by Heber B. Churchill, former secretary of Great American. The collection contains a major part of what has been written in the United States on the subject of earthquakes since 1922.

The problem of earthquake resistive construction is treated at great length in the collection. In donating the volumes, Mr. Churchill stated that many lives have been lost because of damage or collapse of structures by earthquakes. The property damage, including damage by fires following the occurrence, has been enormous, he explained. Sufficient proof has accumulated to show that such loss and destruction is unnecessary and can be minimized. Many books on the engineering aspects of earthquake resistive construction are included in the collection.

THE NATIONAL UNDERWRITER

PUBLISHED
EVERY THURSDAY



Published by THE NATIONAL UNDERWRITER CO., PUBLICATION OFFICE, 175 W. Jackson Blvd., Chicago 4, Ill., SUBSCRIPTION DEPT., 420 E. Fourth St., Cincinnati 2 Ohio

EDITORIAL DEPARTMENT: Managing Editor: Levering Cartwright, News Editor: F. A. Post.
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ciate Manager; George E. Woigemuth, News Editor; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Prospect 1127. Roy H. Lang, Southwestern Manager.

DES MOINES 12, IOWA—3333 Grand Ave. Tel. 7-4677. R. J. Chapman, Resident Manager.

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MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg., Tel. Main 5417. R. W. Landstrom, Resident Manager.

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Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-2706. E. M. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager; John E. Caughman, Pacific Coast Editor.

XUM

DEATHS

HOMER H. MCKEE, who for many years prior to 1932 was a prominent factor in the surety business, died at his home at Chicago, where he had been confined the past four years with illness. He had not been active in the insurance business since 1932. He was born at Denison, O., and started at Cleveland with the National Surety general agency there. Later he moved to Chicago to become secretary of Joyce & Co., general agents of National Surety. When Globe Indemnity opened its Chicago branch, he and John McKechnie became joint managers under the firm name of McKee & McKechnie. Later Mr. McKechnie went with Joyce & Co. and Mr. McKee then became the sole resident manager. In 1920 he went with the old Detroit Fidelity & Surety as vice-president and he served as president from 1923 until 1932.

His widow, Mrs. Frances McKee, is supervisor of the accounts receivable division of Combined Insurance Co., and his son, John H. McKee, is assistant to the superintendent of the renewal department of Hartford Accident at Chicago.

JOSEPH C. SANDERS, 47, manager of the Marine department of W. H. Markham & Co., St. Louis, died of heart disease. He had been with the Markham agency 33 years, starting as an office boy.

JAMES W. STARK, 47, St. Louis claim manager for Royal-Liverpool, died of heart disease. He was president of St. Louis Claim Managers Council last year.

VAL H. HAWKINS, who had been an A. & H. man for 46 years and was widely known in that field, dropped dead Tuesday at his office at Chicago. He started as an agent of U.S.F. & G., served as A. & H. manager in the Chicago branches of Commercial Casualty and Standard Accident and of Meeker-Magner Co., general agent of General Accident, and as Illinois state manager of the old Massachusetts Accident. He had conducted his own agency at Chicago for a number of years, specializing in A. & H., most recently as general agent of Hoosier Casualty.

CARY F. BAKER, 64, manager of the southern department of Hartford Accident, died suddenly at Atlanta. His first connection with insurance was with U. S. F. & G. Subsequently he was manager of the bonding department of Interstate Casualty of Birmingham, Ala. He was appointed manager at Atlanta of Hartford Accident in 1915. Under his direction Hartford's southern department has become one of the company's largest producing units.

MRS. JOHN P. YOUNG, JR., whose husband is western manager of American at Rockford, Ill., died at a hospital at that city where she had been confined for the past month and a half. Her health had been uncertain for the past two years. She was 50 years of age. A son, John P. Young III, is in the casualty department of American at Greensboro, N. C.

CARL A. MORHARD, 47, St. Louis manager of New York Underwriters since 1946, died in St. Elizabeth's hospital at Belleville, Ill., Tuesday following a heart attack suffered Monday

night as he finished playing Santa Claus at a Boy Scout party at Belleville, his home. He started with the company as an office boy at New York City about 30 years ago. In 1930 he became Michigan special agent officing at Detroit and went to St. Louis in 1937 as special agent for southern Illinois and Eastern Missouri. In 1942 he became state agent for those territories, and was named St. Louis manager four years later. He was extremely active in insurance organization affairs.

HENRY OLSON, 64, retired manager for First Bancredit Corp. at Chicago, died at his home in Hollywood, Cal.

AMBROSE R. WRIGHT, 77, former deputy commissioner of Georgia, died at Atlanta after a long illness. Mr. Wright was manager at Atlanta for Metropolitan Life for a number of years. He retired from the department several years ago.

LAWRENCE R. TAYLOR, 35, who had only recently opened an agency at Indianapolis, was found dead in his automobile in that city with a hose attached to the exhaust pipe and leading into the back window.

HERBERT L. SCHULTZ, 56, for nearly 30 years with the Gottschalk agency and the Security General Agency, Milwaukee, died at his home in suburban Whitefish Bay.

D. D. USHER, 80, veteran local agent of Stoughton, Wis., collapsed in a downtown garage where he had driven his car and died shortly after from a heart ailment.

WILLIAM D. O'CONNELL, local agent at Troy, N. Y., for 60 years, died after a short illness. He first was with Knox & Mead and later with the Donnelly & O'Connell from 1905 to 1942. Since that time he had operated an agency under his own name.

ELMER HENDERSON, 67, retired local agent of Lynchburg, Va., died during a croquet game in a public park.

MISS KATIE HEBERT, 58, for 42 years with the Matt G. Smith agency at Baton Rouge, La., died at her home there after a lengthy illness. She was the first president of Baton Rouge Insurance Women's Club.

S. NICOLL SCHWARTZ, 66, for 40 years a New York City broker, died there. He was past president of General Brokers Assn. of Metropolitan District and had been editor of its publication the Review.

GUSTAVE A. BECKER, 80, head of G. A. Becker & Sons agency, Belleville, Ill., since 1913 and secretary of Belleville Security Building & Loan Assn. for 37 years, died there.

JAMES W. HOWARD, 78, oldest local agent at Florence, S. C., died there after a brief illness.

MRS. ROSE LIEBERTHAL, mother of L. J. Lieberthal, owner of the Lieberthal agency of Ironwood, Mich., died there. Mrs. Lieberthal's late husband founded the agency in 1887.

MRS. SARAH CONKLIN, the mother of Harry J. Conklin, 2nd vice-president of Loyalty group in the Pacific Coast department, died at her home at Cherry Valley, Ill.

MARCUS HIRSCH, head of the local agency at Bridgeport, Conn. bearing his name, died there. He was 76.

EDWARD J. FOLEY, 57, died at East Hartford at Manchester Memorial Hospital after a short illness. He had recently retired from his job as supervising underwriter in Travelers casualty department after 35 years' service. He had been unusually active for many years in town affairs.

CYRUS F. CLARK, 91, who founded Canton Cooperative Insurance Co. at Canton, N. Y., died there. He operated the company until his retirement in 1939. Richard I. and Maxwell A. Clark, sons of the founder, now manage the firm.

CHARLES BOALS, of Boals & Kipp, Seward, Neb., local agents, died after a lingering illness.

EDWARD B. SCHAEFER, 58, burglary and loss underwriter for Royal-Liverpool at Chicago, died at his home there of a heart attack. Mr. Schaefer had been with the company since 1923.

"Open Top" Fire Policy Approved in Six States

The "open top" arrangement of fire policy, with all typing done in one operation and with common standard forms referred to by number and no typing needed on the forms, is now in force in six southeastern states—Louisiana, Mississippi, Georgia, South Carolina, Alabama and Florida. The permissive effective date in Alabama, South Carolina and Florida has been announced as Jan. 1. Louisiana has had a policy under which the forms need not be typed on for several years, but recently switched to the "open top" style.

The Alabama, South Carolina and Florida rating bureaus, in announcing the change, stated that, as a beginner, only the dwelling and mercantile forms would be available for use with the new policy without typing. Any other form may be used, as needed but it will still be necessary to type in the required information on them and countersign them. It is assumed that other forms will be reprinted for use with the new style policy as quickly as possible. In the mean time, the dwelling and mercantile forms will mean that a substantial proportion of the fire business of every office can be written under the simplified procedure.

Mechanics of Forms

Forms which are set up for use with the new policy have no space for typing or countersignature. They begin "insurance attaches only to those items described on the first page of the policy for which an amount is shown in the space provided therefor and not exceeding said amount." The first page of the policy has a space to show amounts and a brief description and location of the insured item or items, followed by the expression "subject to Bureau Form No(s)....." There are also spaces for indicating whether extended coverage windstorm insurance, the coinsurance clause and its percentage and a mortgage clause applies. Copies of forms need not be attached to the daily report or to the agency record copy, thus reducing the number of forms an agency will need by two-thirds.

Where a form not set up for use with the new policy is needed, the agency instructions are to type "see form attached" into the descriptive space on the first page of the policy and then proceed as under older methods.

Because of varying state requirements, there are separate policies for South Carolina and Florida. Another edition is marked as standard for the other four states.

This policy is fundamentally similar to the form advocated by National Assn. of Insurance Agents, but the N. A. I. A. form contains a number of other refinements and is expected to become standard eventually. The new southeastern forms had been under way before the N. A. I. A. property insurance committee, headed by Arthur M. O'Connell of Cincinnati, began its work, but it is understood that all differences have been reconciled and a still newer form will make its appearance in other states soon.

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DEPENDABLE

This has been
proved through

85 years of
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Inland Marine Department

WM. H. McGEE & CO.
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RELIABLE
FIRE INSURANCE CO.
Dayton, Ohio

An Independent Ohio Company



PEDIGREE COUNTS — THE BEAGLE — ranks second in U. S. popularity, good hunter, especially for rabbits, faithful, wonderful disposition, nice to have around grown-ups and children alike.

The Northern Assurance was organized in 1836 as an Agency Company. It has remained so All-Ways.

THE NORTHERN ASSURANCE CO. LTD.

FIRE AND ALLIED LINES, AUTOMOBILE INLAND
MARINE -- REPORTING FORM -- FLOATER CONTRACTS
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Reinsurance

A Reinsurance contract with the Employers is definitely "durable goods." Relationships so established normally wear both well and long—the result of thorough understanding and co-operation.

Employers Reinsurance Corporation

J. B. ROBERTSON, PRESIDENT

KANSAS CITY

NEW YORK

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SAN FRANCISCO

LOS ANGELES

Moser and Hubbard Act Ferocious at N.A.I.C. Rally

There was a torrid session at the N.A.I.C. convention at Los Angeles on the matter of unauthorized insurance wherein Henry Moser, general counsel of Allstate, and Moses Hubbard, general counsel of the Commercial Travelers organizations, were pitted against each other. Stone of Nebraska was the chairman.

Mr. Stone asked whether the all-industry committee had approved a bill reaching unauthorized companies via the fraudulent advertising route two years ago. C. C. Fraizer, Health & Accident Underwriters of work and study on this. Mr. Moser had gotten up a brief supporting the validity of the false advertising bill, but A.I.C. has not recommended it. More study is indicated.

Patterned After U.I.S.O.P. Act

Mr. Moser said this bill is patterned after the unauthorized insurers service of process act. It provides that if any company sends in to a foreign state, say New Jersey, false advertising, the New Jersey commissioner may proceed against that company under its fair trade practice act. New Jersey would notify the insurer of a violation of the fair trade practice provision dealing with misleading advertising. A hearing would be scheduled. The domiciliary commissioner, say Arizona, would be notified. The New Jersey (for example) commissioner might proceed only if the home commissioner (Arizona) doesn't take action and the insurance company persists in its objectionable advertising for 30 days.

After holding a hearing, the New Jersey commissioner could issue a cease and desist order. From here on in, Mr. Moser admitted that there is a great deal of controversy as to the constitutionality of the bill. If the insurer ignores the cease and desist order, the New Jersey attorney general may file an action in court for injunction and get service of process by registered mail. If an injunction is issued and the company violates it, it is liable to the penalty of a contempt order of court. It used to be a rule that one state would not enforce the penal rules of another. However, advocates of this bill say that the Supreme Court has gone a long way toward abandoning that, hence it is believed suit can be brought under a judgment in the insurer's home state.

Fraizer Gives FTC Slants

Mr. Fraizer was asked to tell about his visits with federal trade commission people. FTC, he said, is still trying to form a pattern of jurisdiction under the rules. However, FTC has sent out letters to agency companies in a haphazard manner, apparently based on some specific inquiry or complaint pertaining to an individual company. These agency companies FTC has asked to submit specimen advertising and policy forms. The agency companies have challenged the jurisdiction of FTC, saying that under public law 15 they are regulated by the states. There seems to be a spirit of cooperation and courtesy at FTC, he said.

Mr. Stone asked whether FTC had inquired what the states were doing under the individual state laws. Mr. Fraizer replied that at one of the regional offices an FTC man asked what is done with policyholder complaints. Mr. Fraizer explained the procedure there. Then this man asked about what is done to protect the policyholders that are imposed upon but don't enter formal complaints. Mr. Fraizer said that the claim practices of the companies are closely examined in the convention examinations.

The FTC man inquired what is done with unlicensed companies and Mr. Fraizer's reply was that such complaints were handled largely between the two commissioners.

Mr. Stone said there is a gap existing by which the states cannot reach unauthorized insurers and he asked

whether immediate action is desirable. It was apparent that Mr. Stone was strongly in favor of the false advertising bill and wanted to have it approved at this time.

Should Nip It in Bud

Mr. Moser said A.I.C. has been deterred from making a final recommendation because of the question of whether there is a gap existing. Some think that the problem can be handled under existing legislation. Some believe that all that needs to be done is to refer false advertising to the U. S. district attorney. If that is the solution, Mr. Moser admitted, then there may not be a gap. Otherwise there may be. He said it is easier to stop false advertising by nipping it in the bud by civil proceedings than waiting until the harm is done and then trying to punish the culprit. A different degree of proof is required under the two circumstances.

He expressed the belief that the insurance people and the commissioners have been invited by the U. S. Supreme Court in the Virginia vs. Travelers Health case to do something about it. The implication of the Travelers Health case is that if a commissioner can bar a company from issuing a policy contract in his state, he can prevent the company from taking any lesser action than that in his state. That decision, Mr. Moser vouchsafed, blazes a trail and shows the states what they can do. If there is a gap, he insisted that it can be closed through this false advertising legislation. He declared that another two years should not be permitted to go by without taking action.

Hubbard Chews on Moser

Mr. Hubbard then undertook to take Mr. Moser apart. He declared that N.A.I.C. had asked A.I.C. to study this matter and he declared that it would be a deliberate slap in the face of A.I.C. to recommend legislation upon which A.I.C. has not completed its deliberations. Mr. Hubbard contended there is no emergency. There is nothing that cries for a cure. He said that what is advocated is simply to try something out to stop a "stench in the nostrils of all good people." He said the situations that are involved are those where the commissioner of a particular state is failing to do his job. He contended there has been a great improvement. He pointed out that a home state commissioner can prevent his companies from gypping the policyholders anywhere in the world.

Mr. Stone took a crack at Mr. Hubbard by saying that the question is involved of whether the commercial travelers organizations actually have agents or not. Does the matter of agency depend on whether commissions are paid in cash or by gifts? he asked. Mr. Hubbard waved that aside saying it is an incidental matter and he is willing to argue it at some other time.

Mr. Hubbard went on to say that if a commissioner is unwilling to take care of the offenses of his local companies then the system of state supervision is in a bad way. Insurance commissioners in dealing with FTC, he declared, have been too soft spoken. FTC is trying to put the insurance commissioners out of business. It is time for them to fight for their life, he declared. Down with cooperation and friendliness under such

McCagg V.-P. and General Manager of Manufacturers Cas.

PHILADELPHIA — John L. Mylod, of Manufacturers Casualty, announces that George W. McCagg will become vice-president and general manager of the company, assuming his new duties at the home office here Jan. 1.

Mr. McCagg is terminating his association with Royal-Liverpool to take this

T. L. Haff Retiring from Presidency of N. A. C. & S. Re

Ernest Brandli Succeeds Him as President—Election of Other Officers Held

Theodore L. Haff, president and treasurer of North American Casualty & Surety Reinsurance of New York since organization of the company in 1940, will retire Dec. 31, to be succeeded by Ernest Brandli. Mr. Haff will continue as a director.

Mr. Haff has devoted his entire 50 years in business to insurance and has been associated with European General Reinsurance since that company was organized in 1911. It was in that year it was entered to write business in the United States. Prior to 1929 European of London had been represented by the firms of Fester & Folsom and Fester, Fothergill & Hartung, New York, of which latter firm Mr. Haff was for many years the New York partner. In 1929 he resigned from that firm to become U. S. manager of European of London and served in that capacity for 22 years, until Oct. 1 this year, when the U. S. branch of European was acquired by North American Casualty & Surety Reinsurance.

Mr. Brandli joined European in 1916 and was appointed assistant U. S. manager in 1937. He has also been vice-president of North American C. & S. Re since the organization of that company.

In addition to the election of Mr. Brandli as president and treasurer, directors of North American elected the following officers: Vice-presidents, Edwin C. Booth, John J. Walker and William O. Hall; secretary, Frank H. Jutton, and assistant secretaries, Douglas E. Gorham and Louis J. Miale.

Mr. Booth, a graduate of Harvard, joined European in 1937 and was elected secretary in 1938. He has been secretary of North American since its organization in 1940.

Mr. Walker, graduate of Trinity College, had been for many years with Home. He joined North American in 1948.

Mr. Hall joined the London office of European in 1914 and was transferred to New York in 1926. He has been assistant secretary of the company in charge of fidelity and surety underwriting since 1940.

Mr. Jutton also joined the London office of European in 1915 and was transferred to New York in 1926. He has been assistant secretary of the company since 1940.

Plans for Estate Ins. Co.

If Nebraska can tell a citizen of New York what he must do in New York and can compel performance in Nebraska under an edict of Nebraska by a court order in New York, this would do away with state independence, he declared. If such a thing could be made applicable to insurance, it could be made applicable to banking and industry.

Commissioner Gaffney of New Jersey who incidentally took a prominent part in the proceedings at various times and promises to become quite a factor in the organization, said in his state they have some doubt of the need for this type of legislation and much doubt as to its efficacy. Since the A.I.C. subcommittee hasn't come up with a recommendation,

(CONTINUED ON PAGE 29)



GEORGE W. McCAGG

new position, having been vice-president of those companies at their headquarters at New York. He has been with the group for 22 years and has traveled extensively in the east, south, west and Pacific Coast, is widely known in the insurance industry and popular with producers and insurance officials. At its annual meeting last week he was elected president of Casualty & Surety Club of New York.

Mr. McCagg started with Eagle Indemnity in 1927 as general agent at San Diego, later serving as special agent of Eagle and Royal Indemnity at Los Angeles and Atlanta, becoming assistant production manager at the home office in 1931 and production manager in 1934, later becoming vice-president and then president of Eagle. In 1948, in addition to his supervision of the casualty companies of the group, he became vice-president of the fire companies with supervision of operations in the western territory.

Henry L. Van Horn, since 1943 executive vice-president of Manufacturers Casualty, has resigned to become president of Calvert Fire.

circumstances, he asserted. The individual commissioners and the industry should make life miserable for those commissioners that are not regulating their own companies.

Very Bad Situation

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Plans Insurance Co., which has been formed as a Delaware corporation, will operate as a team mate of National Automobile & Casualty of Los Angeles, and the present intention is to have it entered in states in which National A. & C. is not licensed. Thus there will be no conflict in the field. This new company is in effect, a conversion of the John McClure estate into an insurance company. That estate consisted very largely of important wine growing land in California, much of which has been sold. John McClure is president of National A. & C., and also of Estate Ins. Co.

Nat'l Bureau Makes Countrywide Glass Manual Revision

National Bureau of Casualty Underwriters countrywide has revised the glass manual, effective Dec. 18, except in Texas where it is effective Feb. 1.

Changes were made in the territorial differentials reducing rates in Virginia and increasing rates in Alaska, Connecticut, Idaho, Iowa, Kansas, Louisiana, Minnesota, Montana, New Hampshire, New Mexico, Oklahoma, Oregon, South Dakota, Utah, Vermont and Wisconsin. Boston, Chicago, Cleveland, Detroit, Hoboken, Jacksonville, Fla., Jersey City, Newark and Philadelphia, formerly zone rated, have been made single zones, resulting in rate decreases in Illinois, Massachusetts and Ohio.

Several changes in the manual are necessary because the 1937 manufacturers' price list, upon which glaziers have been basing their replacement cost quotations, has been generally superseded by the 1950 list. The greatest width of glass manufactured for stock sizes is 128 inches according to the 1950 list, compared with 144 inches in the old list. To reflect this change the following manual revisions have been made:

—Rate tables have been amended by removing pages 68 to 72, as the sizes on these pages are greater than 128 inches.

—The rule for rating sizes that are not in the rate tables has been revised. Rates based on the number of square feet per plate have been inserted in lieu of the present rule that determines the table rate by subtracting the necessary number of inches from one dimension and adding to the other dimension in order to develop a size

that would fit the rate table.

—The manual discount of 25% allowed for a plate containing 100 square feet or more if replacement may be made with two smaller plates has been amended to provide that this discount be applicable only for the sizes in the rate tables and that a 50% discount be applied to sizes rated in accordance with the rule for determining the rate on sizes not in the rate table.

Several new kinds of glass were added to the directory of glass and numerous revisions were made. All heat absorbing glass as well as ultra-violet ray transmitting glass has been assigned to class C. Beveled, corrugated, etched, plate, plain or wired $\frac{1}{2}$ inch or more in thickness, and stippled glass are now in class C as the cost of replacement is found to be higher than that contemplated for the present manual classifications.

Rural Health Groups Reviewed

A bulletin on "Rural Health Cooperatives," by Helen L. Johnston, has been published jointly by the farm credit administration, Department of Agriculture and U. S. public health service. The bulletin, in 100 pages, discusses methods and purposes of 101 such cooperatives.

John A. Henry, general attorney of Continental Casualty and Continental Assurance, has been in Henrotin hospital, Chicago, about three weeks with an embolism. The condition is clearing up satisfactorily but it is expected he will be hospitalized until after the first of the year.

Gilbert Kingan, Jr., son of the U. S. manager of the London & Lancashire group, and Miss Joy Marriner of West Hartford and Cheam, Surrey, England were married in West Hartford.

Cornelius Jensen, formerly with Lyle Jenks, Inc., Seattle local agency, has gone with the Rush Drake agency at Lake City, near Seattle. He is replacing Rush Drake, Jr., who has been replaced to active duty in the navy.

Herbert R. Walt, state national director of Nebraska Assn. of Insurance Agents, Lincoln, discussed "Property Insurance and the Accountant" at the annual meeting at Lincoln of Nebraska Society of CPA's.

National A. & H. Has New Policies

National Accident & Health of Philadelphia has brought out new weekly premium hospital and surgical expense policies. The hospital policy provides benefits for room and board and certain medical expense for injuries not requiring hospitalization. Broad maternity coverage is also provided. Both of the new forms will be issued for risks between the ages of six months and 60 years.

ANALYSIS OF EXPENSES PAID BY POLICY SIZE-CALENDAR YEAR 1949 (Excluding Commissions and Taxes)							
Stock Companies - Auto Liability and Property Damage							
(a) Annual Premium Size	(b) Estimated No. of Policies Written	(c) Direct Standard Earned Premium	(d) Ratio Paid Expenses to Direct Standard Earned Premium				
			(e) Inspection Boards and Bureau	(f) Payroll Audit	(g) Other General	(h) Other Acq., Field Sup., and Collection	Loss Adjustment
(1) Under \$50	3,321,114	113,534,582	.55	.15	5.35	6.18	8.0%
(2) 50 - 99	1,292,347	79,737,893	.5	.1	4.3	5.9	8.9
(3) 100 - 499	248,996	41,712,479	.9	.7	3.9	5.6	9.1
(4) 500 - 999	21,624	13,620,440	1.6	1.0	4.1	4.8	9.2
(5) 1,000 - 4,999	13,134	2,324,702	2.2	.9	3.1	3.8	9.3
(6) 5,000 - 9,999	841	5,730,386	3.1	1.0	4.0	4.2	9.2
(7) 10,000 - 24,999	508	7,766,762	2.6	.7	3.7	3.1	9.6
(8) 25,000 - 99,999	205	9,567,106	2.4	.3	2.2	2.7	9.3
(9) 100,000 & over	42	6,968,857	3.7	.2	1.7	2.4	8.4
(10) Total	4,998,437	303,715,997	1.0	.3	4.3	5.4	9.0
(11) Adj. to Net Basis	-	-4,901,707	-	-	-	-	-
(12) Total (Net)	4,698,437	298,176,290	-	-	-	-	-
(13) Total (Net)	999	247,610,074	.6	.3	4.7	5.9	8.9
(14) 1,000 & over	24,786	54,465,881	2.6	.6	2.9	3.4	9.2

Stock Companies - Liability and Property Damage and Collision Other Than Auto

(a) Annual Premium Size	(b) Estimated No. of Policies Written	(c) Direct Standard Earned Premium	(d) Ratio Paid Expenses to Direct Standard Earned Premium				
			(e) Inspection	(f) Boards and Bureaus	(g) Payroll Audit	(h) Other General	Loss Adjustment
(1) Under \$20	868,821	10,578,305	.6	2.0	2.48	12.35	10.0%
(2) 20 - 499	353,846	11,568,026	1.0	3.1	2.7	9.1	10.2
(3) 50 - 499	1,411,210	25,358,659	.9	2.9	2.8	11.2	10.6
(4) 500 - 999	129,502	9,666,364	2.5	4.3	3.0	7.3	10.5
(5) 1,000 - 4,999	160,474	20,307,424	2.5	3.3	2.7	4.5	10.7
(6) 5,000 - 9,999	11,664	19,770	2.3	2.2	4.3	4.7	10.7
(7) 10,000 - 49,999	6,454	23,116,368	1.7	2.6	1.7	3.6	11.1
(8) 50,000 - 9,999	533	3,705,863	1.4	2.5	1.4	4.6	10.5
(9) 100,000 - 24,999	298	4,563,418	1.1	2.0	1.1	3.8	10.5
(10) 25,000 - 99,999	128	5,396,295	1.1	1.6	1.3	3.0	10.8
(11) 100,000 & over	19	4,865,656	.7	2.1	2	3.3	10.5
(12) Total	1,699,940	95,831,717	1.7	2.9	2	4.2	10.7
(13) Adj. to Net Basis	-	-2,334,338	-	-	-	-	-
(14) Total (Net)	1,699,940	93,206,683	-	-	-	-	-
(15) 3,000 & over	7,428	31,324,570	1.3	2.3	1.3	3.5	10.8

*Figures shown on lines (1) and (2) exclude one company which was unable to split policies whose annual premium size is under \$50 in accordance with the call. Figures shown on line (2a) include this company.

Companies Included: Aetna Casualty; Employers Liability; General Accident; Eagle-Globe-Royal; Hartford Accident; Standard Accident; Travelers companies; U. S. Casualty; U. S. F. & G.; Zurich.

ANALYSIS OF EXPENSES PAID BY POLICY SIZE-CALENDAR YEAR 1949 (Excluding Commissions and Taxes)

Stock Companies - Workmen's Compensation

(a) Annual Premium Size	(b) No. of Policies	(c) Direct Standard Earned Premium	(d) Ratio Paid Expenses to Direct Standard Earned Premium				
			(e) Payroll Audit	(f) Other General	(g) Other Acq., Field Sup., and Collection	(h) Loss Adjustment	
(1) Under \$20	306,382	5,425,637	2.42	13.0%	23.8%	22.5%	7.0%
(2) 20 - 99	103,614	7,441,276	1.9	6.2	12.8	12.4	6.4
(3) 100 - 499	145,865	13,377,720	1.6	4.1	5.1	5.2	6.9
(4) 500 - 999	27,702	19,301,219	2.0	2.4	3.6	4.6	6.9
(5) 1,000 - 4,999	20,608	41,456,960	2.0	1.5	2.5	4.8	6.8
(6) 5,000 - 9,999	3,062	14,135,022	2.4	1.2	3.0	4.8	6.8
(7) 10,000 - 24,999	2,105	17,362,728	2.5	0.9	2.7	2.6	6.8
(8) 25,000 - 99,999	500	22,655,979	2.5	0.8	2.5	2.8	6.9
(9) 100,000 & over	127	15,525,248	2.2	0.5	2.3	2.1	6.6
(10) Total	67,937	130,245,252	2.1	5.3	4.2	5.1	6.8
(11) Adjustment to Net Basis	-	-5,421,392	-	-	-	-	-
(12) Total (Net)	62,516	124,823,860	-	-	-	-	-
(13) Total (Net)	229	45,474,747	2.0	1.8	2.0	2.0	6.8%
(14) 1,000 & over	12,526	12,526,921	2.2	1.0	2.5	2.6	6.8

Companies include: Aetna Casualty; Employers Liability; General Accident; Eagle-Royal-Globe; Hartford Accident; Standard Accident; Travelers companies; U. S. Casualty; U. S. F. & G.; Zurich.

Ten-Stock Companies - Workmen's Compensation

(a) Annual Premium Size	(b) No. of Policies	(c) Direct Standard Earned Premium	(d) Ratio Paid Expenses to Direct Standard Earned Premium				
			(e) Payroll Audit	(f) Other General	(g) Other Acq., Field Sup., and Collection	(h) Loss Adjustment	
(1) Under \$20	50	34,708	1,103,196	3.45	13.9	9.6	32.8%
(2) 20 - 99	23,053	1,616,276	2.9	7.7	5.6	19.6	6.4
(3) 100 - 499	57,011	14,372,591	3.1	4.1	3.1	11.5	6.2
(4) 500 - 999	17,152	12,500,241	3.2	2.6	2.4	9.0	6.0
(5) 1,000 - 4,999	4,999	46,553,742	3.0	1.4	2.1	6.8	5.8
(6) 5,000 - 9,999	3,472	26,349,003	2.9	0.8	1.9	4.6	5.7
(7) 10,000 - 24,999	2,256	36,970,913	2.6	0.6	1.8	3.9	5.7
(8) 25,000 - 99,999	961	45,203,477	2.3	0.5	1.8	2.7	5.7
(9) 100,000 & over	2,105	19,097,588	2.1	0.3	1.6	2.3	5.7
(10) Total	159,204	49,631,255	2.7	1.2	2.1	5.0	5.7
(11) Adjustment to Net Basis	-	-13,461,163	xxx	xxx	xxx	xxx	xxx
(12) Total (Net)	159,204	10,168,062	xxx	xxx	xxx	xxx	xxx
(13) 1,000 & over	132,268	26,476,405	2.6	0.8	1.9	4.3	5.7
(14) 1,000 & over	26,726	17,124,720	2.6	0.8	1.9	4.3	5.7

*The percentages shown in columns (g) and (h) are based upon premiums and expenses excluding the amounts for one company which had not been able to complete its analysis of expenses by size of risk for these two items. However, this company's total figures are included on line (10).

Companies included: American Mutual Liability; Employers Mutual Liability; Hardware Mutual Casualty; Liberty Mutual; Lumbeers' Mutual Casualty.

that would fit the rate table.

—The manual discount of 25% allowed for a plate containing 100 square feet or more if replacement may be made with two smaller plates has been amended to provide that this discount be applicable only for the sizes in the rate tables and that a 50% discount be applied to sizes rated in accordance with the rule for determining the rate on sizes not in the rate table.

Several new kinds of glass were added to the directory of glass and numerous revisions were made. All heat absorbing glass as well as ultra-violet ray transmitting glass has been assigned to class C. Beveled, corrugated, etched, plate, plain or wired $\frac{1}{2}$ inch or more in thickness, and stippled glass are now in class C as the cost of replacement is found to be higher than that contemplated for the present manual classifications.

National A. & H. Has New Policies

National Accident & Health of Philadelphia has brought out new weekly premium hospital and surgical expense policies. The hospital policy provides benefits for room and board and certain medical expense for injuries not requiring hospitalization. Broad maternity coverage is also provided. Both of the new forms will be issued for risks between the ages of six months and 60 years.

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manufacturers

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aggregate excess
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GUARANTEE INSURANCE COMPANY
HOME OFFICE — LOS ANGELES

GROUP PLANS BIG ITEM**Defense Insurance Advisory Board to Meet Jan. 3**

WASHINGTON—The insurance advisory board of the Department of Defense will hold its first meeting Jan. 3, according to present prospects. Thomas L. Kane, department insurance director, had hoped to have the board meet Dec. 27, but the absence of Commissioner Allyn in the west made that date impracticable.

The joint rating plan submitted by the casualty interests was taken up at a conference of Mr. Kane with representatives of the three armed forces. The plan was discussed in detail. The ideas and suggestions of the conferees were to be submitted, probably this week, to the casualty committee.

Meanwhile, clarification of the jurisdiction of Director Kane and of the question of how far the government would go in respect of paying contractors, costs for group insurance, etc., of various kinds, is under consideration. The department's directive setting up Mr. Kane's office provided for its jurisdiction over policies relative to property insurance in connection with war contracts.

It now appears that group insurance of various kinds represents an important problem in procurement of materials and war supplies. The cost of group life, H. & A. hospitalization and other worker's benefits, including pension plans, represents an important item. The question is how far government should go in meeting such costs. This matter is being put up to Chairman Small of the munitions board.

During the last war the government paid a portion of the cost of group plans of cost-plus-fixed-fee contractors whose entire plants were occupied on war contracts.

New Drive for N. Y. Compulsory Auto Liability Law

NEW YORK—An effort to get compulsory automobile liability insurance established by law is expected during the New York legislative session beginning in January. A prominent judge has written the governor and legislators advocating it. The New York Daily News this week came out for it in an editorial. Bar Assn. of the City of New York will put a discussion of the subject on the air in February on its regular program called "On Trial."

Discussion of compulsory has revived talk of the unsatisfied judgment fund which the insurers opposed last session. The proposal that was defeated would have assessed each automobile driver's license a small fee to create such a fund. Insurers might not oppose such a proposal now.

Those advocating compulsory seem to be mixing up "no insurance" with "underinsurance." The latter creates the real problem. Opponents of compulsory point out it has several bad features. One is that the minimum becomes a maximum. The idea of compulsion is in itself distasteful. The state can reach its objective with an unsatisfied judgment fund more inexpensively than through compulsory. This is also better politically because the upstate population fears that eventually it will be tagged with part of the cost of the populous New York metropolitan auto liability costs, as would be the case in Massachusetts through the flat rate.

Compulsory automobile insurance should be provided by law at once, Supreme Court Justice S. H. Hofstader has recommended in letters sent to Gov. Dewey and members of the legislature. The recommendation is based on "suffering of thousands of uncom-

pensated victims" of the increased number of automobile accidents.

Present automobile financial responsibility laws are inadequate, he declares, because they leave the first victim of any driver unprotected. Consequently about one car out of every eight in service can kill or injure, with no assurance of the ability of the driver to pay. In permanent disability cases involving uninsured cars, there is no payment whatsoever or not enough to cover medical care and wage loss, in 95% of the cases where the automobile is uninsured, according to Judge Hofstader. He claims about 10% or more

than 350,000 automobiles are not insured and that the safety responsibility laws of the state have not decreased accidents.

He also recommends elimination from the roads of hot rod vehicles and stripped down jalopies through annual inspection that would insure mechanical efficiency. He pointed to the Massachusetts compulsory law and said in that state the accident rate is much lower than in New York in proportion to the population. He thinks opposition to compulsory insurance comes from those who fear auto liability coverage may be preempted by a state fund.

The New York Daily News, commenting editorially on Judge Hofstader's recommendation, thinks that the "upcoming legislature might well consider compulsory insurance. It might not cut down the accident rates, but at least it would guarantee decent compensation in all such cases where the motorist was at fault." The reason it gives for making this recommendation, however, is the annual traffic massacre of 32,000 deaths a year in the U. S. Much is made in the editorial of the Judge's conclusion that compulsory insurance from the word go works well in Massachusetts.



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Agent—can show you the GRAPHIC INSURANCE AUDIT. Call today and arrange for him to bring you a copy which can be patterned to your own insurance situation, personal, business or both.

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CHANGES IN CASUALTY FIELD

Fireman's Fund to Have Southern Casualty Unit

Fireman's Fund group on Jan. 1 will open a southern indemnity department at Atlanta having jurisdiction over all casualty business in Alabama, Georgia, Louisiana, Mississippi, North and South Carolina and Virginia.

John H. Dillard, vice-president of the group at Atlanta, will have charge of the southern department operations, and John L. Earl, who has been chief underwriter at New York, becomes assistant manager in charge of casualty and bonding business in the southern department.

Mr. Earl will be assisted by a number of underwriters who have been handling the southern business in the eastern department at New York.

In November ground-breaking ceremonies were conducted at the corner of Peachtree and Fourteenth streets for a new southern department building of Fireman's Fund group. The new structure will have about 33,000 square feet and it is expected to be ready for occupancy in June of 1951.

Hartford Accident Makes Five New Appointments

Hartford Accident has appointed Bernard J. Coughlin manager and Roger P. Smith assistant manager of the agents' service department and has named Raymond A. Blinn manager at Portland, Me., Richard H. Spencer manager at Syracuse, and Warren A. Wilson manager at Albany.

Mr. Coughlin joined the company in 1929 and has worked as a supervising underwriter and as a special agent as well as in the agency department. Mr. Smith went with Hartford Accident in 1933 as an automobile underwriter at Buffalo. Following his navy discharge he joined the agents' service department.

Mr. Blinn, who has been with the company since 1926, started in the home office accounting department, later going to Portland as special agent. Joining Hartford Accident in 1936, Mr. Spencer has served as special agent for the personal accident department and as special agent at Bridgeport, Albany and Syracuse. He is a navy veteran. Mr. Wilson has been a special agent in New Hampshire and at Albany. He went with the company in 1940.

Two Claim Men Named

Thomas E. Newcomb has been named claim manager at Indianapolis for Standard Accident. Daniel Galloway has been appointed claim representative at New York.

Before joining Standard Accident, Mr. Newcomb was with Hartford Accident. He is a graduate of the Indiana Law School.

Mr. Galloway has been with Royal Indemnity.

Wyckoff Conservation Chief

James S. Wyckoff has been named superintendent of conservation services for the eastern department of Zurich. He succeeds Robert R. MacDonald, who is retiring Dec. 31 under the companies' retirement plan.

Mr. Wyckoff has an extensive insurance and industrial background, particu-

larly in the subway and heavy construction fields. He has been associated with construction work since 1922, with industrial safety since 1928, and with insurance safety work since 1929. In 1937 he joined the engineering staff of Zurich at New York, and in 1943 was transferred to Newark as supervising engineer.

American Casualty Has N.Y. Department

American Casualty has established a New York department at 111 John street, New York City, to supervise New York state and southern Connecticut.

Arthur F. McCarthy has been appointed vice-president in charge of the joint operations of American Casualty and American Aviation & General. He has been in the company end of the business for 30 years. Except for three years in the general agency business at Chicago, he was with Massachusetts Bonding from 1921 to 1941. Starting as a special agent, he advanced to assistant secretary and then manager at Chicago. In 1941 he joined Accident & Casualty as agency superintendent and later was made U. S. assistant manager at New York.

Charles A. Barkie becomes appointed manager of the New York department. He entered insurance in 1920 with Norwich Union Indemnity, where he remained 16 years, advancing to vice-president. In 1936 he went with Accident & Casualty, serving as U. S. assistant manager.

Harold F. Keenan is claims manager for both companies at New York. He started in claims work in 1924 with Royal. Afterwards he was with American-Associated as claims supervisor for 21 years.

Jack Succeeds Hogle as Vernon General Chief

J. M. Hogle, vice-president of Vernon General of Indianapolis, has retired from company service because of the condition of his health. He is a veteran in casualty company work in the middle-west. He was formerly co-manager at Chicago for the old Union Indemnity. Paul Jack has taken over the management of the company.

Mr. Jack is well known in insurance circles, having started in the business about 20 years ago with Farmers Automobile of Pekin, Ill. He managed that company for 14 years and then went with Keystone Casualty and Keystone Fire of Philadelphia as secretary-manager. He at one time served as a director of National Assn. of Independent Insurers.

Open Office at Peoria, Ill.

Manufacturers Casualty has opened a new production office at Peoria, Ill., in charge of Andrew J. Polarek, who has been servicing the territory from Chicago. The Peoria office will remain under the supervision of the Chicago branch.

Fugate Given Added Duties

Manufacturers Casualty has named Joseph E. Fugate, Iowa state agent of Pacific National and Paramount Fire, as Iowa state agent for Manufacturers also. The three companies are members of the Trans-America fleet.

Grenier Gets Entire State

The Alexander Grenier agency at Newark has been appointed supervisory general agency of National Casualty

for the entire state. It has represented the company for 13 years.

R. B. Rhome in New Post

R. B. Rhome has been appointed Indiana special agent for Freeport Motor Casualty. He resides at Indianapolis and was formerly with the H. L. Barr general agency.

The western department of Hartford Accident has appointed R. R. Harrel as special agent in the Chicago Loop. He is a graduate of DePauw University and has been an underwriter in the compensation and liability department for three years.



A. F. McCarthy

ACCIDENT

Setup for International A. & H. Assn. Convention at Dallas in '51 Announced

The 1951 general convention committee of International Assn. of A. & H. Underwriters has decided on the general nature of the program at the Dallas convention next June. The Dallas committee has adopted as a theme, "Roundup of Accident & Health Sales Ideas," to depict the Texas locale and to satisfy the agents' constant search for selling aids. This type of program is regarded as especially desirable for the benefit of the sales forces of the many companies currently entering disability insurance.

The convention will open Monday morning, June 11, with a special breakfast for pre-registrants who will be entitled to membership in the Roundup Club. The morning business session will be confined largely to introductions, welcoming addresses and the annual report of President John B. Lambert, Mutual Benefit H. & A., Cleveland.

A noteworthy speaker will address the luncheon that day and the afternoon session will be devoted to addresses by leaders in the field of A. & H. sales management. Monday evening will be available for company-sponsored dinners. The Tuesday session will include the International Council meeting, which will hear committee reports and elect new officers. A luncheon will follow with a well-known salesmanship consultant as speaker. The afternoon session will include the Leading Producers Round Table sales panel and the leadership forum for local association officers. A surprise entertainment feature is being arranged for Tuesday evening.

The Wednesday morning program will include the acceptance address of the new president and addresses by two prominent A. & H. men, Emerson Davis, Inter-Ocean, Dallas, general convention chairman, states that throughout the convention entertainment will be arranged for the wives and families of the salesmen.

The executive board of the International association will hold meetings before and after the convention.

Prepare New Law for 18 Arizona Benefit Concerns

The Arizona department will sponsor legislation in January for conversion of the domestic benefit companies to a limited capital stock legal reserve basis. There are 18 such associations now operating in Arizona. The law that is to be sponsored resembles the Texas law governing limited capital companies. These are combination life and A. & H. concerns. They have been created with an initial fund of \$5,000 and 500 members. The policies are approved by the attorney general and the insurance department.

Under the proposed law these companies could have \$25,000 capital and \$10,000 net surplus. They would be limited to the issuance of life policies of not more than \$3,000. In Texas such companies may write \$5,000 life policies. In the A. & H. field, such com-

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panies could write up to \$5,000 liability. As assessment companies these benefit associations have not been liable to premium tax, but the federal government has considered their mortality funds as constituting taxable surplus. The Arizona department in 1949 directed these concerns to go on a reserve basis, but of course that is under departmental ruling rather than by statute.

First National of Phoenix, which is the largest of these concerns, is now a full legal reserve stock company and has taken over the management of the former First National Life, which is a benefit concern.

Among the other largest concerns are National Reserve Life with about \$20 million of life insurance in force; American Buyers \$18 million; Producers at Mesa, Ariz., with \$20 million; Farm & Home of Phoenix, which is less than a year old and has \$8 million of insurance and Charter Oak with \$5 million.

Jaffe and Kutak Buy Nat'l Protective of Kansas City

Ben Jaffe and Jerome Kutak have bought all of the stock of National Protective of Kansas City. Ross Ream, the former owner, is retiring from business activity. Mr. Jaffe is president and Mr. Kutak is vice-president of Guarantee Reserve Life of Hammond, Ind., and they have now been elected to comparable positions in National Protective. The latter company was organized in 1926 by Mr. Ream and by Robert Ridgway. The latter sold out his interest two years ago to Mr. Ream. National Protective operates on strictly a mail order basis, and has about \$4 million of life insurance in force and about \$700,000 A. & H. premium income.

Guarantee Reserve has been developing its agency business extensively in recent months under the direction of E. E. McCarty, the agency director, who was formerly with Continental Casualty at South Bend, Ind.

Revise A&H Sales Service

A redesigned Sales Section service of the A. & H. Bulletins, published by the National Underwriter Co., Cincinnati, is being inaugurated the first of the year. Subscribers are being supplied this month with a new edition of selected accumulated bulletins in order to continue the monthly supplement service on the revised basis.

The new arrangement, which has a revised paging sequence, facilitates keeping bulletin information up to date and makes it easier to find. A quick-reference index locates information by subjects. A new division has been added for visual material.

The sales service is one of two sections of the A. & H. Bulletins, the other being the policy analysis service which describes commercial contracts of leading companies. William B. Borgel is editor.

Launch National Blue Shield

National Blue Shield, with offices at Columbus, O., has taken out incorporation papers, listing 1,000 shares of \$500 each. It starts with a capital of \$200,000. Incorporators are Howard Shriner, Paul R. Hawley, Frank E. Smith, Jay C. Ketchum, Charles H. Coghlan and Howard Hassard.

Defines Military Lapses

MINNEAPOLIS — North American Life & Casualty has advised its agents that in A. & H. and hospitalization the only cases that can be considered as military from a lapse standpoint and be given special lapse consideration are those where the insured has actually been inducted or has received orders to report on a specific date.

Milwaukee Party for Orphans

The A. & H. Underwriters of Milwaukee held their annual Christmas

party for children from the Milwaukee Children's Home in suburban Wauwatosa. They provided transportation downtown, with wives and women office employees joining to give the orphans and underprivileged children a bit of family life for the afternoon. Alfred K. Perego, Wisconsin National Life, past president, was chairman of the party this year.

Maginnis New President

H. W. Maginnis, who has been vice-president and manager of Progressive Mutual Assurance of Minneapolis, has been elected president to succeed C. F. E. Peterson, resigned. Mr. Peterson has been president since 1923. He suffered a hip injury in 1949 and this has prevented him from returning to active duty.

Mr. Maginnis has been with the company since 1918 and has been vice-president and general manager since 1923.

Webber Wash. Bureau Head

Val Webber, United Pacific, was elected president of Underwriters Bureau of Washington at the annual meeting at Seattle. M. P. Tompkins, Fireman's Fund, was elected vice-president, and J. B. Wilberton reelected secretary.

Group Staffs Winding Up D.B.L. Sales Job; Look for By-Products in 1951

NEW YORK—Group offices found that it took much longer than they expected to get the details of the New York disability benefits law cleaned up but they anticipate by-product business to materialize after the first of the year. Some have made plans to campaign for by-product business in the next few months.

The volume of accounting work involved in premium collection and claim procedure and other D.B.L. service work jammed many group offices through autumn. Salesmen have been doing more service work than production in the last few months. The problem of delinquent accounts, and such oddities as dual coverage, with two companies on a risk, are being unraveled.

Another factor which slowed down by-product sales was that, at least on larger cases, the employers who became interested in group when the compulsory law was passed are still not really "sold" on its desirability from an employee relations point of view. They took the coverage only to comply with the law. They don't want to

do any more. The prevalence of that viewpoint continues to diminish, however, and gradually increased interest in by-product business is expected.

The workmen's compensation board still has not released authoritative or comprehensive figures giving the results of the D.B.L. production race of last spring.

It is too early for the expected turnover in cases to take place. Some of this is expected next July when cases come up for renewal. There was apprehension that competition was forcing some companies to quote disproportionately low rates last June in their eagerness to get the business and that some of these will have to be revised next year.

San Antonio Claim Men Elect

Newly elected officers of San Antonio Claim Men's Assn. are V. F. Hastings, Aetna Casualty, president; Dick Johnson, Lloyd Caldwell Claims Corp., vice-president; A. R. Creager, Royal-Liverpool, second vice-president, and F. R. Hooker, secretary. Plans were made for setting up an index bureau.

California Insurance Auditors Assn. held their annual dinner at Los Angeles.

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HAWKEYE - SECURITY & INDUSTRIAL give their agents the best in all-around business building service at all times.

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number of sales helps and a skilled Field Representative staff which works closely with every agent.

These are only a few of the reasons why "the trend is to HAWKEYE-SECURITY & INDUSTRIAL."

HAWKEYE - SECURITY INSURANCE COMPANY
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Des Moines, Iowa

HAWKEYE - SECURITY • INDUSTRIAL • TWO OF THE FINEST

Sales According to Geographical Sections Are Delineated by Hartford A. & I. Survey

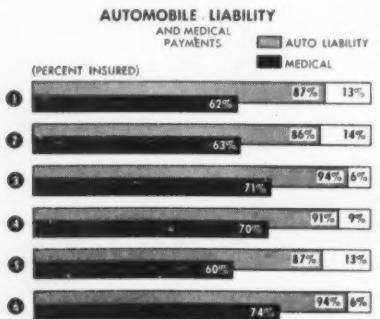
Extent of variation in sectional insurance-buying in the United States has been shown from results of the extensive

spondingly numbered divisions in the U. S. map.

Perhaps the most significant fact evi-



sive nationwide insurance survey conducted early in 1950 by Hartford Accident. Findings produced by the study



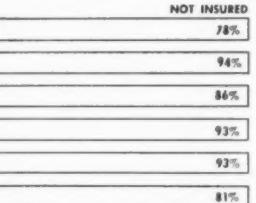
covering 23,131 individuals are summarized in the accompanying charts.

Examination of the charts makes it easy to compare the extent to which insurable markets have been covered in each section, and the sectional locations can be identified by association of their respective key-numbers with the corre-

spondingly numbered divisions in the U. S. map.

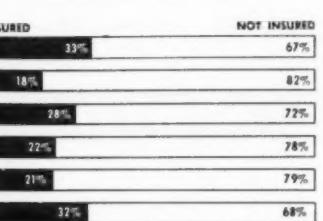
Perhaps the most significant fact evi-

RESIDENCE LIABILITY



dent in the charts is that there is a remarkable uniformity in the extent to which personal insurance is bought the country over in virtually every line. The only notable exceptions are in the closely related comprehensive personal lia-

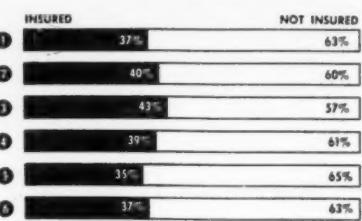
COMPREHENSIVE PERSONAL LIABILITY



bility and residence liability policies. Variations in other coverages listed are of no real consequence.

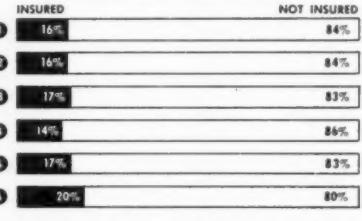
In an all-over sectional comparison it appears that the midwestern and the Pacific Coast areas have a slight margin over the remaining divisions of the country for being well insured, with the

PERSONAL ACCIDENT INSURANCE



northeast, Rocky Mountain, southwestern and southeastern districts bringing up in that order behind them and ac-

RESIDENCE AND OUTSIDE THEFT



cordingly offering the largest undeveloped markets for further cultivation.

Mitchell Corrects Errors in Texas Rate Hearing Report

Ben H. Mitchell, vice-president of Texas Employers, points out a number of errors in the report in the Dec. 7 issue of the rate hearing before the Texas board of insurance commissioners. He says:

"The second paragraph says Mr. Leslie stated that the experience indicates a reduction of 1.2% with a profit and contingent factor to be included. The facts are that Mr. Leslie stated that the experience indicated an increase of 1.2% with a profit and contingent factor excluded.

"The fourth paragraph is confusing because it does not clearly bring out that the effect of the wage trend factor was to offset the 1.2% increase and produce a net decrease of 2.8%.

"Further in the article, you quoted Harry P. Whitworth as saying that there is no data to justify the 37.72% expense. I do not know where you got that percentage of expense.

"In the next paragraph, it says that Mr. Burris stated that the rate should be lower by 60.7%. This is not a correct quotation as 60.7% is the allowable for losses in the rate structure and is not the reduction asked for by Mr. Burris.

"The last paragraph is also confusing in that you inject the name of Commissioner Gibbs. In the last sentence you state: 'He charged that the council had loaded its figures 14% and that the rates are too high.' The 'he' is supposed to refer to Mr. Evans, who made that statement, but it apparently refers to Mr. Gibbs."

New Zurich Film Covers Department Store Safety

"Trouble in Store," a sound slide film dealing with department store safety, has been released by Zurich. The film, a part of the group's "safety zone" series, covers typical accidents to sales personnel, stockroom, and maintenance employees. Situations illustrated are common not only to department stores, but also to smaller retail establishments. "Trouble in Store" is believed to be the first film produced on this phase of occupational safety.

The film will be made available to retail risks as a part of the Zurich conservation service program for insureds. Copies will also be available to the companies' agents.

Ask Va. Blue Cross Boost

RICHMOND — Virginia Hospital Service has asked the state corporation commission for authority to add 20 cents to its monthly group rate for individuals, 40 cents for husband and wife

and 45 cents for family contracts. This would make the payments \$1.30, \$2.60 and \$3.20 respectively. It also would add 25 cents monthly for all direct-pay contracts.

It states that the first six months of this year it had to withdraw \$260,000 from reserves to cover costs of operation.

50-Cent Bank Statement Error Shows \$100,000 Loss

CINCINNATI—A 50-cent error on a bank statement led to the discovery of a shortage exceeding \$100,000 in the accounts of the Riverside Building Assn. & Loan Co. of Cincinnati, which is covered under a \$30,000 form 22 savings and loan blanket bond in American Surety.

The secretary of the association is also supervisor-teller of the Central Trust Co., where the loan company does its banking. He was in a position to fake entire bank statements, and in one instance he sold \$20,000 of government bonds owned by the association and then forged a check for that amount on a Seattle bank to restore the association's balance.

The bank apparently is not involved in the loss. The county prosecutor has fixed the amount taken at \$106,665, but said there will be a cash restitution of \$47,364.

Issue Mass. W.C. Supplement

A supplement to the 1949 edition of its Massachusetts workmen's compensation law pamphlet to include recent important amendments to the law in that state has been published by Assn. of Casualty & Surety Companies.

The new supplement contains a digest of the effect of the 1950 amendments, their texts, and annotations of recent decisions construing the law.

Employers Hikes Salaries

The Employers group has increased salaries of its 3,600 employees throughout the United States, retroactive to Dec. 1. This action will add about 10% to the companies' payroll. All increases are made on an individual merit basis. Those who have joined the group since Oct. 1 will be given consideration 90 days after employment.

Light Is Wichita Speaker

Jack Light, Fidelity & Casualty, Wichita, addressed Wichita Casualty & Surety Assn. on "Boiler Insurance and Boiler Inspection." Secretary Homer H. Minnick, Central Surety, presided.

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Booklet Presents Fire Hazard Effect of Bombing Attacks

WASHINGTON — Fire may be the nation's greatest hazard in event of enemy attack, according to "Fire Effects of Bombing Attacks," a booklet released by federal civil defense administration. It says structural damage caused by fire accounted for 80% of the total damage to cities attacked by airborne weapons in the last war.

The first part of the booklet summarizes data on bombing attacks in the war, obtained from reports of the U.S. strategic bombing survey, with which Franklin D'Olier, former president of Prudential, was identified. The second section outlines a method of appraising the susceptibilities of American cities to like attacks and suggests defense methods.

It reports that American cities are highly susceptible to fire and blast. Among other facts, it purports to show that only 1.7% of structures at Chicago, 2.2% at Detroit, 2.3% at New York, 1% at San Francisco and 3.6% at Washington, are classified as fire-resistant.

It concludes that "fire storms" such as occurred in the cities of Germany and Japan during the war could happen here. A "fire storm" results from rapid and simultaneous ignition over a large area, in which many fires merge into a single inferno. A pillar or column of burning gas rises almost vertically from such conflagrations, with in-rushing winds at the base reaching gale proportions. All combustible material in the area is ignited, and complete burn-out follows.

After reviewing the effects of fire warfare in German and Japanese cities, including fire from atomic bombs at Hiroshima and Nagasaki, the booklet discusses factors having the greatest influence on fire initiation and spread in American cities. These include building density, combustibility of structures, firebreaks, size of target areas. Other contributing factors taken up are continuity of combustible construction, occupancy combustibility, size of buildings and topography. Weather factors also are considered, including humidity, rain, snow and wind.

The booklet says "adequate fire control planning for civil defense will depend to a great extent on an assessment of those characteristics of built-up areas which would make them susceptible to fire storms and conflagrations. The method involves resolving the urban city areas into sub-areas of fairly homogeneous building density." This will not only assist in planning for possible attacks, "but will act as a guide to long range planning designed to eliminate or reduce to a minimum the existence of highly vulnerable areas in our cities."

O.L.&T. B.I. Rates in N. Y. Up 24.6%

National Bureau of Casualty Underwriters has revised B.I. liability rates for a large number of O.L.&T. classifications in New York, effective Dec. 18, resulting in an average increase of 24.6%. Classifications affected are those rated on an area and frontage basis, including stores, hotels, churches, hospitals, clubs, restaurants and mercantile and office buildings in all New York territories and apartments, tenements, boarding or rooming houses in all New York territories except Greater New York. Rates were last revised in April, 1949. Experience since that time indicates the continued effect of inflation in increasing substantially liability losses. The present two rate territories applicable outside of Greater New York are being replaced by four territories. In Greater New York, exclusive of Richmond, the average rate increase is 27.4%; in Richmond, 13.6%; in Syracuse, 24.8%; in Rochester, 20.9%. In

Albany, Schenectady, Troy, Utica, Mt. Vernon, New Rochelle and Yonkers, the average increase is 35.7%. In Poughkeepsie, Buffalo, Binghamton, Elmira, Jamestown and Niagara Falls, rates are down 3.7%. The remainder of state takes an increase of 21.1%.

Church risks have had adverse experience. In fact, the old rate of 77 cents would have been raised to \$1.32 were it not for the standard restriction which bars any one rate increase from exceeding 35%. The new rate for churches is \$1.04.

Grant Concessions In EPT Bill

WASHINGTON — Points raised by insurance interests against the excess profits tax bill were conceded by the Senate finance committee in decisions announced before it reported the bill with many amendments.

On one of these points, according to the announcement,

"In the case of insurance companies the committee agreed to treat 50% of their reserves as equity capital and to see to it that organization expenses were includable in the computation of the equity capital credit."

"Organization expenses," it was indicated, mean expenses of incorporation. Fire and casualty companies had claimed they did not make money in 1946 and 1948. In view of that and similar claims, the committee decided upon a change in the bill which was explained as follows:

Under present law, a taxpayer could carry a net loss from 1948 or 1949 forward for two years to cut excess profits tax on profits in 1950 or 1951, but could not use losses from 1946 or 1947 for that purpose.

Under the committee decision, the four years 1946-49 inclusive, may be allowed as a unit, and any net loss for the four year period could be carried forward into 1950 or '51, to reduce the excess profits tax for those years.

October, 1950.

The total estimated loss for the 12-month period ended Nov. 30, is \$688,919,000, increase 2.9% over losses for the 12 months ended Nov. 30, 1949.

For the first eleven months of 1950, fire losses totalled an estimated \$621,640,000, as compared with \$600,257,000 for the same period of 1949, an increase of 3.6%.

Berkshire Ups Dividend

Berkshire Mutual Fire is increasing its dividend rate on all policies expiring on and after Jan. 1 from 15% to 20%.

Buyers Have Cocktail Party

Risk Research Institute will conduct its first holiday open house cocktail party at the George Washington Hotel, New York City, Dec. 28 from 5 to 7 p. m. Tickets are \$2.50. The party is open to members, non-members and insurance people.

Insurance Women of Madison, Wis., held a Christmas party at which gifts were exchanged. Joseph Metz of Wisconsin Telephone Co. was speaker.

George S. Kridler has joined his father Walter S. Kridler in operation of his agency at Toledo.

Nov. Fire Losses At 22 Year High

Fire losses during November were the highest recorded for that month during the 22 years for which detailed records are available, totalling an estimated \$55,790,000, according to National Board. This was an increase of 5% over losses for November, 1949, and an increase of 11.7% over the total for



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Assigned Risk Experience by States

National Bureau of Casualty Underwriters has prepared a compilation of the experience on automobile assigned risks for the 37 states for which experience is available. Although assigned risk plans are new in operation in 45 states, not all have been in effect long enough for developed experience to be reported. The results of the bureau survey are summarized below:

State	Policy Year	Bodily Injury			Property Damage		
		Earned Prems.	Incurred Losses*	Ratio	Earned Prems.	Incurred Losses*	Ratio
Alabama	1948	\$ 12,621	\$ 179	0.4	\$ 3,048	\$ 1,077	35.3
California	1942-1948 inc.	988,345	518,282	52.4	604,698	265,072	43.8
Colorado	1946-1948 inc.	24,461	7,112	29.1	19,546	8,171	41.8
Connecticut	1941-1948 inc.	349,156	291,739	83.6	115,566	87,638	75.8
Delaware	1947-1948 inc.	7,649			3,473	1,127	32.5
Florida	1947-1948 inc.	134,637	57,176	42.5	52,892	20,490	38.7
Georgia	1948	15,344	3,910	25.5	5,255	1,383	26.3
Idaho	1948	5,102	1,068	20.9	3,040	1,928	63.4
Illinois	1941-1947‡ inc.	101,235	42,586	42.1	57,631	32,991	57.2
Indiana	1946-1948 inc.	54,837	30,083	54.9	33,999	26,230	77.1
Iowa	1948	17,167	11,278	65.7	14,432	6,746	46.7
Kentucky	1947-1948 inc.	39,626	34,364	86.7	24,045	16,108	67.0
Louisiana	1948	34,845	11,505	33.0	19,699	7,377	69.0
Maine	1941-1948 inc.	81,514	48,999	60.1	41,399	24,942	59.5
Michigan	1946-1948 inc.	342,807	152,693	44.5	182,506	119,165	65.3
Mississippi	1948	26,785	16,365	61.1	7,496	4,666	62.2
Minnesota	1943-1948 inc.	625,113	415,438	66.5	341,207	171,881	50.4
Nebraska	1946-1948 inc.	40,126	28,499	71.0	24,787	12,790	51.6
New Hamp.	1938-1948 inc.	205,142	157,754	76.9	80,906	45,452	56.2
New Jersey	1941-1948 inc.	733,725	393,312	54.4	234,937	153,771	65.5
New Mexico	1948	3,264			1,645	101	66.1
New York	1941-1948 inc.	2,371,560	1,885,130	79.6	893,574	698,843	78.2
No. Dakota	1947-1948 inc.	30,253	25,929	85.7	15,924	4,806	30.2
Ohio	1947-1948 inc.	164,171	85,837	52.9	96,677	55,466	57.4
Oregon	1946-1948 inc.	423,176	296,083	70.0	265,736	155,568	58.5
Pennsylvania	1943-1948 inc.	164,545	55,912	34.0	82,455	37,961	46.0
Rhode Island	1947-1948 inc.	56,748	6,009	10.6	18,405	6,980	37.9
So. Carolina	1948	859			314		
Tennessee	1948	32,292	12,555	38.9	10,217	4,908	48.0
Utah	1946-1948 inc.	7,464	757	10.1	4,743	1,145	24.1
Vermont	1941-1948 inc.	61,983	50,184	81.0	34,578	18,114	52.4
Virginia	1941-1948 inc.	562,438	412,961	73.4	224,544	137,717	61.1
Washington	1941-1948 inc.	393,220	244,421	62.2	232,673	132,079	56.8
West Virginia	1947-1948 inc.	155,170	70,639	45.5	58,058	16,375	28.2
Wisconsin	1946-1948 inc.	327,833	288,005	87.9	160,025	108,363	67.7
Wyoming	1948	1,389	875	63.0	1,092	201	18.4
TOTAL‡	1938-1948 inc.	\$ 8,596,602	5,667,626	65.9	\$ 3,963,732	2,387,632	60.2
Massachusetts	1940	319,027	439,133	137.6			
	1941	382,548	580,559	151.8			
	1947**	388,000	537,984	138.6			
	1948**	618,201	854,209	138.2			
	Total†	1,707,776	2,411,885	141.2			

*Including allocated claim adjustment expenses (excluding allocated claim adjustment expenses for Massachusetts).

**Private passenger cars only.

†Data for policy years 1942 to 1946 are not available.

‡Policy year 1948 experience is not available.

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Research Needed as Basis for Public Relations: Lang

NEW YORK — Widespread understanding of industry's achievements can be won successfully only when public relations programs are solidly based on thorough research, Frank Lang, manager of the research department of Assn. of Casualty & Surety Companies, declared at a joint meeting of the New York chapter of American Marketing Assn. and Public Relations Society of America.

Observing that the aim of all public relations programs is to maximize the public good will, Mr. Lang said this can be accomplished best when the program is adjusted according to the group of people toward whom it is directed. Research, he said, plays a vital part in determining the specific groups to which the program should be directed and establishes the basis for a sound working policy. He gave examples of how research has been successfully applied as a basis for public relations campaigns in dealing with the three principal categories of business publics, which he enumerated as the internal public, the trade public and the external public. He demonstrated how research has been used to point out the public relations approach to each public, and also the actual follow-through.

Mr. Lang cited one life insurer's coordinated research and public relations programs, highlighting its method of surveying policyholders who requested a change in their policies. Insureds contributed their opinions and suggestions for improvement when all the details of the transaction were still fresh in their minds with the result that the entire program was extremely effective, Mr. Lang declared.

To Drop N. Y. Assigned Risk Surcharge for "Clean Risks"

The New York automobile assigned risk plan is eliminating Jan. 1 the surcharge that has been required of all persons obtaining automobile liability insurance under the plan, in the case of clean risks.

George J. Schepens, manager of the New York plan, said a clean risk is one that has not been involved in any accident, has not been convicted of a motor vehicle or non-motor vehicle law violation and has not been required to file evidence of financial responsibility under any financial responsibility law in the three years immediately prior to application for insurance under the plan. The surcharge, generally 15% of manual, remains in force, however, for all other risks.

Some risks qualify for insurance at regular rates, Mr. Schepens said. While these are isolated cases, the business feels they should be given the recognition they will receive beginning Jan. 1.

Burglarize Sterling Building

Four bandits entered the home office building of Sterling of Chicago the night of Dec. 16, rifled two safes and made off with less than \$1,000, although causing property damage of about \$2,000. The company is insured for the loss in Fidelity & Deposit.

The Sterling safes had tear gas bombs connected to them and these went off. The bandits left that room for two hours and went through the rest of the building, including the desk of L. A. Breskin, president, and returned later to the safes to make their investigation. The watchman was made to accompany them and when they left he was tied up.

Await Ind. Appointment

INDIANAPOLIS — Clyde Black has been appointed head of the division of motor vehicles in the Indiana secretary of state office and there is now considerable speculation among insurance people as to whom he will name as head of the division of financial responsibility.

Credit for Development of 1-Page Symbol Plan Given

From Charles W. Margraff, vice-president research, Motorists Mutual of Ohio:

I read the article captioned "Illinois Bureau One-Page Symbol Plan Is Gaining Popularity," which appeared on page 4 of the Nov. 30 issue of THE NATIONAL UNDERWRITER, with interest, since the one-page symbol plan was originated and first used by our company. However, since I personally have given undue credit for the idea, I would like to give you a little background, in order that the individuals of our organization who developed the idea can be given due credit for the achievement.

Early in 1949, an employee committee consisting of Cameron Williams, Robert Keltner and Walter Mayes, was appointed in our company to study ways and means of simplifying classification and rating procedure. It was the members of this committee who deserve credit for the one-page symbol plan used by our company since December, 1949, and which has since been adopted in principle by the Illinois and Hoosier Land Rating Bureaus.

Tri-State Capital \$500,000

Tri-State of Tulsa, has declared a 100% stock dividend that increases the capital from \$250,000 to \$500,000.

Report on Mid-States

An examination by the Illinois department of Mid-States Ins. Co. of Chicago for the period July 1, 1946, through June 30, 1950, shows that the company had capital of \$400,000 and net surplus of \$500,187 as of June 30. Total assets were \$6,461,84.

Mid-States writes automobile full cover and garage liability. It was organized in 1941. In the period under review, the company declared and paid total cash dividends of \$298,000 and stock dividends of \$150,000. Since organization, cash dividends have amounted to \$323,000 and stock dividends to \$200,000.

Mid-States is owned by General Finance Corp.

Rehabilitation Center

A rehabilitation center for workers who have been injured in industrial accidents will be established by Liberty Mutual at Chicago Feb. 1. This will be like the Boston one which was founded in 1943.

The center will provide physical occupational and recreational therapy to restore the function and use of injured parts of the body. Patients are prepared for re-employment by instruction in the effective use of remaining physical abilities. There is no charge to the worker or to the referring physician. The cost of treatment is carried as a medical loss to those policyholders whose employees are treated.

Want More Hospital Benefits

Tennessee Hospital Assn. will sponsor a measure to amend the state's workmen's compensation law to increase maximum benefits from \$750 to \$1,000, with \$500 to be available for hospitalization and \$500 for medical services. It would also permit the courts to allow additional sums above \$1,000 upon showing by the injured that his or her hospital and medical expenses exceeded the maximum.

Recover Coast Burglary Loot

More than \$12,000 of a \$13,307 coast bank robbery loss has been recovered by American Casualty. The company, through Gould & Gould, general agents, paid Magnolia State Bank of Seattle the total amount of the robbery loss which occurred Nov. 27. The robber was captured Nov. 30 at the scene of an automobile accident in Oregon and had in his possession \$12,000 of the funds.

N.A.I.C. Gathering on Coast Highly Industrious

(CONTINUED FROM PAGE 1)

workmen's compensation insurers especially, are deeply concerned.

There were a number of important studies that had been dragging along, some of them for years, that were brought to completion at this time. Some of these were impressively complicated reports such as those on graduation of expense by size of risk, and the fire insurance term discount study so that while they represented important achievements, they elicited very little, if any, discussion. These are things that will have to be studied at length and form the basis for subsequent meetings.

Auto Finance Rules

Another report that came to completion surprisingly was that of the committee drafting uniform rules and regulations for property insurance in connection with installment transactions dealing with personal property. There have been a large number of drafts and this committee has been wrestling with the problem along with the "industry" for the past several sessions and many felt that this was simply going to be another time when there would be "progress reported." However, all hands finally came to an agreement and the convention adopted the uniform rules and regulations proposed for adoption by all the states.

The final decision was to hold the 1951 winter meeting at the Commodore hotel at New York in December. The annual meeting will be at Swampscott, Mass., in June and although definite action was not taken at Los Angeles, it appears very likely that the 1952 summer meeting will be at Chicago.

After months of toying with the possibility of going to Puerto Rico next December the commissioners finally had to decide against that. The next question was whether the meeting should be held at Chicago and the vote of the executive committee was four to four. Several members were not present at that time and Wade Martin of Louisiana, the chairman, declined to resolve the tie. Later the missing members were rounded up and the decision was for New York.

J. Edward Day, the Illinois director, thereupon suggested that due to the hotel problem, the commissioners plan for their meeting places 18 months in advance and he made a strong plea for Chicago and the Edgewater Beach hotel in June of 1952.

Mutuals Enter Complaint

The executive committee held a special session during the week to consider a complaint entered by Newell Johnson, associate general manager of American Mutual Alliance, against the anti-mutual assault engaged in by the organized stock company agents. This was an executive session. It is understood that Mr. Johnson was referring particularly to the campaign associated with National Tax Equality Assn. in which it is charged that the mutual companies are not liable to the same burden of federal taxation as are the stock companies. It is also understood that Mr. Johnson hinted the mutual people may refer their complaint to the federal trade commission. At the outset it is said, the proceedings were being recorded but the final decision of the committee was to expunge the whole matter from the record.

Weigh Escott and Herd Plans

The rates and rating organizations committee stated that the essential difference between the Escott and Herd plans for multiple location rating is the general agents' propriety of experience rating. The bulk of Seattle fire robbery losses should be reviewed by the committee. The robbery after opportunity is afforded to all hands to study the various proposals, that is the scene of the Oregon and the Herd plan and the plan for amending the multiple location service office program. The committee said it is not

opposed to the principle of deductible coverage. The matter should be retained on the agenda for possible amendment of the statistical plan in the event the volume of deductible business becomes significant.

Serious consideration, the committee said, should be given to removal of jurisdictional barriers to the filing of multiple line rates. The commissioners cannot compel the reorganization of rating bureaus but the committee urges leaders in the business to consider revision of constitution and by-laws of rating organizations which do not permit multiple line filings by such organizations. Failure to overcome this hurdle, the committee stated, will result in an abundance of individual company filings which will overtax the insurance departments and ultimately result in an increase of the cost of supervision. It is hoped that the leaders in the business will be able to report progress in this matter next June. On the request of L. A. Vincent of National Board to permit the statistical plan to be amended so as to eliminate state experience figures on water damage, sprinkler, explosion, aircraft damage, etc., the committee has asked Mr. Vincent to submit how the experience currently runs by state. When this is done, further consideration will be given to his request.

The fire prevention and safety committee headed by Cravey of Georgia came out against abandoning the use of sirens. This report was given by Taylor of Oregon. This had no application to Los Angeles where sirens make the night hideous downtown.

Keep Committee Alive

After hours of deliberation at the past several meetings on a set of rules for insurance in connection with installment sales, the report was finally adopted. The committee had asked to be discharged but at the insistence of Harrington of Massachusetts the committee was kept alive for the purpose of bringing about further improvement. He declared that the finance companies and auto dealers are preying on widows and orphans and it would be a pity if further improvement were not effected.

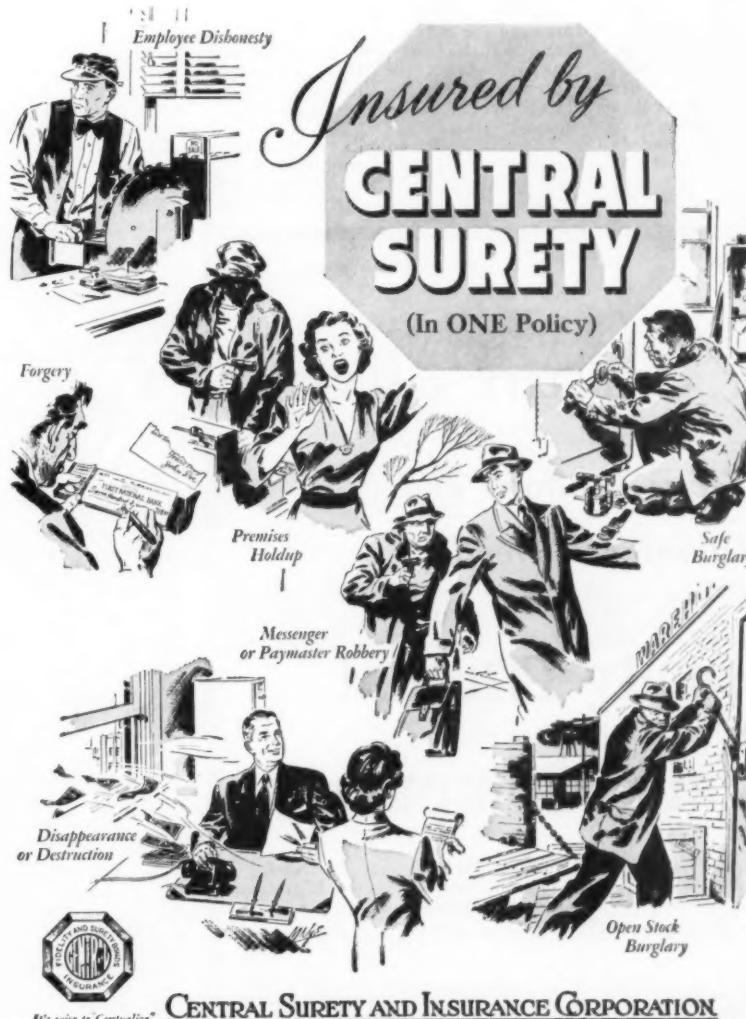
Russell Hooker of Connecticut, reporting for the examinations committee, said that consideration of the zone 4 proposal for a separate section in the

examination dealing with rates and rating bureau matters will be deferred to the June meeting. Also the proposal for disclosure of salaries of officers and directors in the examinations is deferred to the June meeting and Hugh Tollack, the assistant secretary, was directed to notify the "industry" that this matter will be heard in June.

Farewell Salute to Stone

Harrington announced that Stone of Nebraska is going to retire after the first of the year and he was given resounding applause. John J. Holmes of Montana was called on to report as chairman of the committee on taxation of real estate. From far back in the room he called out "The committee reports progress."

Larson of Florida as chairman of the liaison committee with the federal government referred to problems relating to regulation X to limit the extension of credit. Henry Benner of the federal reserve board had been on hand and had addressed the meeting. Federal Reserve may desire to examine insurance companies for compliance with regulation X and if this is done the federal reserve board proposes that when "Fed" determines that this is necessary it will notify the home state insurance commissioner. A copy of this notification will go to the zone chairman and an



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insurance department man will accompany the "Fed" man in his examination and copies of the "Fed" report will go to the commissioner.

The final decision on the matter of accounting and statistical procedures involving deferred payment of the term premium was to leave the matter up in the air so far as uniform treatment is concerned. The accounting for these premiums and the reserves should be set up according to the bases required by the individual states. The committee said that the matter of accounting for the term premium that is prepaid is integrated with this matter and both should be looked upon as one and the same problem.

At the instance of State Farm Fire, the committee included a reference saying that annual premium policies with an option to renew at a lower rate do not involve accounting problems. This, the committee said, is an annual policy and no term problem is involved.

Hold Meeting in February

It was decided there shall be a meeting next February with representatives of the "industry" on matters involving justification of term discount and the deferred premium plan. The question will be taken up of translating the premium to a policy year basis. One argument was that if there is distortion in including the finance charge under the deferred premium payment plan, in the premium account, there is also a distortion in the account caused by the 16½% discount for a prepaid three year term policy.

This matter came up before the fire insurance committee headed by Allen of Tennessee.

Cheek Raises Questions

A number of questions had been raised by Commissioner Cheek of North Carolina. He was unable to attend and although there was some discussion on some of his points there was no action taken.

There was a question raised as to the

desirability of amending the National Board's statistical plan to include amount of liability in force.

L. A. Vincent of the National Board said this matter has been before N.A.I.C. and the individual states for many years. Such a showing was required for a long time and in the middle 30's the unreliability of these figures and the difficulty of getting them on any kind of a meaningful basis was recognized. Then they were gradually discontinued and the last state to permit discontinuance of such figures gave that permission in 1947.

Mr. Vincent said that after N.A.I.C. had adopted a statistical plan which was worked up jointly by N.A.I.C. and the industry, he hoped the commissioners would not ask for reinstating this requirement especially in view of the practical problem of getting figures that have any validity.

The National Board and the mutual companies submitted studies on the term discount. There will be further studies, particularly as to the interest factor on reserves that will be available prior to the June meeting.

Get Very Solid Diet

The insurance commissioners at Los Angeles got a very solid diet from the so-called industry this time in the form first of a report on expenses by size of risk in the field of automobile B.I. and P.D.L., and in P.D.L. and collision other than auto, and in the second place, the field of workmen's compensation. Any insurance commissioner that wants some light holiday reading can take these two reports and the term discount study submitted by the fire insurance "industry," and he can keep his brow furrowed for many an hour. Of course, there will be but few commissioners that will give these things more than a perplexed look, but their actuaries and rating people will have something to struggle with.

These reports contain a wealth of statistical material and complicated tables that are quite as confounding to an insurance trade journalist who does

not have his actuary at hand, as they are to the commissioners, sans actuary.

What the workmen's compensation committee did with the report that came its way was to name a special subcommittee to study the "industry" report on gradation by size of risk, consisting of Pennsylvania, Florida, Texas, Virginia, Maryland and New York. Also the workmen's compensation committee surprisingly enough wanted even more of this kind of diet, and asked the "industry" to make a study of loss adjustment expense by size of risk.

It All Started in 1946

The study of expenses by size of risk in workmen's compensation had its genesis at the December, 1946, meeting. Since that time there have been all sorts of calls and committee meetings and interim reports, etc. In this final report the industry committee said that the greatest value of the study lies in the qualitative results produced which demonstrate conclusively a significant graduation of certain items of expense by size of risk. However, application of cost accounting principles to the operations of an insurer is extremely difficult. Therefore, in making this study the 20 cooperating insurers had to adapt cost accounting principles to the practice of insurance as best they could.

No matter on what basis a study is set up it cannot produce a quantitative result that is absolutely accurate.

The analysis proved to be every bit as difficult and time-consuming as the "industry" committee expected it to be. That explains why two of the insurers that volunteered to participate in the study were unable to finish the analysis in time for their figures to be included in the summary submitted with this report. However, the companies that filed figures had total compensation premiums of about \$395 million which is about 55% of the aggregate earned premiums of all stock and mutual companies and is an indicative sample of the total business.

The report was submitted by H. F. Richardson, general manager of National Council on Compensation Insurance, for the special "industry" committee.

The expenses by size of risk study in auto B.I., P.D.L. and collision other than auto was submitted to the rates and rating organizations committee by Assn. of Casualty & Surety Companies.

The companies that filed figures had total premiums of about \$303 million for auto B.I. and P.D.L. and \$96 million for B.I. and P.D.L. and collision other than auto.

W. C. Committee Acts

The workmen's compensation committee of which Larson of Florida is chairman mentioned that the report of the special industry committee on graduation of expense by size of risk was received. The special commissioners subcommittee on this question was directed to make a study of the report and to submit recommendations. The subcommittee consists of Pennsylvania, Florida, Texas, Virginia, Maryland, New York, Wisconsin, California and Massachusetts. At the request of Harrington of Massachusetts, the subcommittee was instructed to include as a part of its study, loss adjustment expense by size of risk.

The same special subcommittee was designated to study the matter of valuation of law amendments in conjunction with the National Council committee. National Council is making a detailed study of the methods used in the valuation of law amendments to determine their effect for rate making. This, however, does not take into account all factors relating to law amendments.

The subcommittee that had been named to study the factor for profit and contingency was continued with instructions to report in June. Day of Illinois is chairman of this subcommittee and the other states that are members are Texas, Tennessee, California, South Carolina and Connecticut.

There was included in the committee

report under the caption "statement of principle" this reference to the matter of the war hazard and workmen's compensation:

"Representatives of industry brought to the attention of the committee, the serious problem presented by the possibility that wide scale war injuries resulting from enemy attack might be held to be compensable under state workmen's compensation laws. It was pointed out that such claims, since they were not within the original contemplation of these state laws or of the insurance or self-insurance programs in effect thereunder, might threaten the solvency of workmen's compensation carriers, with serious hardships resulting to many persons at the time entitled to benefits under such laws. In view of the direct responsibilities of insurance commissioners in connection with the solvency of these workmen's compensation carriers, the committee went on record as expressing its urgent concern with this problem as a part of the overall problem of war risks in connection with other lines of insurance."

Uniform Accounting

The uniform accounting committee on the subject of procedure for uniform accounting examination said that a detailed examination program at this time would be premature. Desired objectives may better be achieved through a general instruction. The examinations committee is requested to include in the manual of convention examination procedure and practice, a statement that compliance with uniform accounting instructions should be checked as part of each convention examination. The report should contain descriptions of systems and records used in connection with such compliance. Criticisms or recommendations should be made only after giving due consideration to the possibility of differing interpretations or conclusions by other examiners or other states.

On the question of syndicates, pools and associations, the committee said many questions have arisen as to the applicability of the instructions governing such syndicates and the committee recommends that after Dec. 31, 1951, the instructions relating to expenses of underwriting syndicates, pools and associations shall not apply to the expenses of any such unless the uniform accounting committee has given specific approval.

New Classifications

The committee adopted the subcommittee's recommendation that the operating expense classification, employee relations and welfare, should be amended; that a new operating expense classification, insurance, should be established and that the operating expense classification, pensions, should be discontinued.

The full committee, however, deleted the following interpretation of uniform accounting instructions that was submitted by the subcommittee:

"Q. Where should premiums paid for catastrophe coverage and other forms of excess reinsurance be charged?

"A. This is not an expense item. Such premiums are recognized as reinsurance and the allocation should be to reinsurance premiums ceded and/or assumed."

The law and legislation committee held a special session to consider the proposal of Commissioner Harrington of Massachusetts that casualty companies be permitted to write group life insurance as a means of holding their own in competition with life companies in the social security field. Mr. Harrington actually favors eliminating all barriers so as to permit a single company to write all lines of insurance including life, but as a first step he recommended just permitting the casualty companies to write group life. The final decision was to have a subcommittee headed by Taylor of Oregon assemble the various arguments and give a further report.

Mr. Harrington at the second session

CASUALTY • FIDELITY • SURETY

Excess Contracts and Reinsurance Treaties

Security Mutual Casualty Company

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on the subject, said that if a life company can provide temporary disability benefits under a law which prescribes specific benefits, why, he asked, should a life company not be permitted to provide workmen's compensation coverage and bodily injury liability protection? All of these coverages have to do with personal injuries. Both the life and the casualty companies, he said, should be fully equipped to provide a social security program including group life, A. & H., hospitalization, workmen's compensation and TDB. He said he would not advocate compelling casualty companies to go into group life insurance, but he feels very strongly that they should not be barred from doing so.

Taylor Sees Demand Lacking

Mr. Taylor said he had seen no great demand for anything of this kind. He vouchsafed that the commissioners have not come up to a big problem until such time as companies try to enter this new field and are blocked from doing so.

Mr. Harrington replied that a number of casualty companies would like to go into the group life field, but they are blocked by a consideration of the prodigious initial expense of setting up a new corporate entity to do so. These same companies would go into the group life field without hesitation if all that was required was to set up a new department of the same company.

Unauthorized Insurance

The committee on unauthorized insurance headed by Stone of Nebraska in its report urged that the unauthorized insurers process act be enacted in those states which have not to date done so. Since this act was approved by N.A.I.C. in December, 1948, it has been enacted in 18 states. The decision of the U.S. Supreme Court in Virginia vs. Travelers Health, resolved most of the questions raised as to its constitutionality, according to the committee. The committee reported that the matter of a suggested bill relating to false advertising be retained on the agenda for further study, that a meeting be held soon with the industry subcommittee to explore the possibilities of recommending this type of legislation to the association.

Interstate Cooperation

The committee on interstate cooperation referred to the fact that the all industry subcommittee report as submitted by Chase Smith of the Kemper companies, was adverse to the theory of state cooperation in insurance supervision by the compact method. However, it was pointed out that the all-industry group did express its willingness to confer further with the commissioners on the general idea of interstate cooperation in the interest of promoting improvement in regulation and its uniformity, and for the avoidance of duplication of effort. A meeting between the commissioners committee and the all-industry subcommittee should be held in the near future to discuss further the problems involved.

Reese F. Hill, the president, in a message to stockholders said that during the first eight months of this year net premiums written were \$904,571 and there was an underwriting profit of \$33,604. Assets were \$1,520,086. He stated that the capital funds should be kept in proper relation to the volume of business being transacted and also an expansion of capital would permit the company to enter one or two more states. Financing by the preferred stock route, he said, should be limited to short periods of time because of the relatively higher costs involved.

Commissioner Terry of Utah had submitted the subject of reciprocal licensing agreements between states, but he did not present the matter at the committee meeting so the item was retained on the agenda for future study.

Uniform Deposit Law

The committee on laws and legislation headed by Butler of Texas, reported that a subcommittee had been named to consider further a resolution that had been adopted by zone 4, recommending that a uniform deposit law and regulations be drafted under which any and all deposits made or held would be for the protection of all policyholders of the company. Zone 4 people had complained that restricted and special purpose deposits being required of insurers by certain states and private corporations tend to procure an undue advantage of such minority or special interests over that enjoyed by the remaining policyholders and creditors.

The subcommittee on this question consists of Downey of California as chairman together with Kavanaugh of Colorado and Sullivan of Washington.

The A. & H. Sub-committee headed by Downey of California, reported taking favorable action on the proposal of zone 4 to set up a subcommittee on a national basis to study the factors involved in the determination of whether benefits provided by A. & H. policies are reasonable in relation to the premiums charged. Zone 4 has had such a committee consisting of Michigan, Illinois and Minnesota and recommended that this activity be elevated to national significance. Accordingly, the chairman was authorized to appoint Michigan, Illinois and Minnesota, and three additional states as a subcommittee for the purpose of making this study.

In connection with the memorandum from O. F. Grahame of Massachusetts Protective on the matter of delay in approval of policy forms, "it was the consensus that this matter should be handled by the individual departments," the report stated.

The committee expressed gratification that, according to current information, there will be considerable legislative support in 1951 from department officials and companies for the uniform individual accident and sickness policy provisions law adopted by N.A.I.C. at Quebec in June. "In order to achieve uniformity," the committee stated, "it is essential that all states act on this legislation at an early date where there would be conflicts in the policy provision requirements between present laws and the new bill. It is hoped that the measure will be supported in the form adopted by N.A.I.C."

Carolina Casualty Adds to Funds

Carolina Casualty of Burlington has now completed its program of retiring its preferred stock. This was accomplished by the sale of 100,000 shares of common class B non-voting stock at \$2.50 per share. The proceeds were used to retire the 5,784 shares of \$10 par value preferred stock at a cost of \$121,464 and the rest was distributed \$42,160 to capital and \$86,376 to net surplus. There was no expense or commission involved. The stock that was not taken up by the other stockholders was purchased by Shepard Broad of Miami, the chairman, and Seymour Rubin, also of Miami, vice-president.

Reese F. Hill, the president, in a message to stockholders said that during the first eight months of this year net premiums written were \$904,571 and there was an underwriting profit of \$33,604. Assets were \$1,520,086. He stated that the capital funds should be kept in proper relation to the volume of business being transacted and also an expansion of capital would permit the company to enter one or two more states. Financing by the preferred stock route, he said, should be limited to short periods of time because of the relatively higher costs involved.

Tex. Conclusions Given

The Texas board of insurance commissioners has issued a letter on the conclusions reached after the hearing of Nov. 28 on workmen's compensation insurance. The over-all reduction amounts to .8%. The expense loading used in calculating the rates is: General administration, 5.7%; acquisition, 17.5%; claims expense, 8.3%; inspection, 2.6%; payroll audit, .9%; taxes, 4.56%, giving a total of 39.56% the expense element used in calculating manual rates. The following discounts were announced: First \$1,000 of standard premium, no discount; \$4,000 of standard premium, 7.9% discount; \$95,000 of standard premium 14.7% discount.

The board also issued a letter for the purpose of securing uniformity in

practices as related to consideration of incentive plans and bonuses. It sets forth the fact that the board will regard the incentive and bonus payments as wages.

Has Bus Drivers Safety Film

A new safety training film for bus drivers, entitled "Gentlemen of the Highway," has been released by Aetna Casualty. Starting with personal qualification tests for prospective motor coach operators, the movie outlines a driver training program and pictures safe driving practices for both inter-urban and local transit operations.

The film is the second in a series of

films designed to promote safety in the commercial transportation field, the first being "Champions at the Wheel," a movie for truck drivers. It may be borrowed without charge through local Aetna agents or by writing direct to the company.

Distribute City Business

Stamford (Conn.) Insurance Board has arranged for a consolidation of city policies and distribution of commissions on a broad cooperative basis. In the past, city insurance has been handled through a few agents but under the new system all will participate.



Voices of Christmas

Sung in any tongue the meaning of Christmas is always the same.

Manufacturers would like to lend its voice to the throng and wish all our associates and friends a full measure of everything good.

MANUFACTURERS Casualty Insurance Company

1617 Pennsylvania Boulevard
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1886—OVER A HALF CENTURY OF SERVICE—1950

The North American Accident Insurance Co.

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We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Give Sample Storm Loss View

(CONTINUED FROM PAGE 3)

over the rooftop it created a vacuum and lifted shingles on the west side.

Many new houses built of concrete blocks suffered some damage, not serious, as a result of the vibration cracking the chimneys at the joint. A number of farms in the state were hard hit. One chicken house, 165 feet long and seven feet high, built of cinder blocks, was bashed in and the roof blown off. So far the lowest estimate is \$5,100 for repairs. The roof of a Lustron house was so badly damaged it had to be replaced. Since the manufacturer is out of business, the roof could not be replaced "in kind." However, adjuster and insured located some Lustron shingles in St. Louis, which solved this problem rather neatly. One of the items of expense was the cost of covering the roof with tarpaulins for two or three weeks at \$25 a week.

MANY BIG LOSSES

There are naturally some spectacular losses. One is the city hall in Newark on which the line of \$1,700,000 of E.C. coverage changed insurers during the day Nov. 25. The big feature of the city hall is a fine copper dome on the inside of which is a false ceiling of glass surmounting a well that runs down to the first floor about 60 feet below. At the sides and around the well at one level are frames of decorative and colored glass. Some of the copper sheets in the dome were broken and twisted, and a lot of glass was broken, much of it odd shaped and colored. The interior was wet to some extent. There will be repainting. Tentatively there is a claim of \$100,000 about \$84,000 of it on the dome and the remainder on the interior.

The wind blew off several roofs at

American Smelting Co., at a cost of about \$30,000. Essex Chair Co., lost half of a roof with a \$20,000 to \$25,000 loss on contents, in addition to roof replacement. Federal Metals had four major specification roofs hit, probably \$30,000 worth. One big factory on the Passaic river with thousands of window lights had hundreds of them blown in. The board of education carries no extended coverage and it had 35 buildings affected, mostly roofs and windows, none of major proportions.

Stock Damaged by Water

At 49 Liberty street is a pocketbook manufacturing company which suffered approximately \$16,000 loss. The skylight and roof blew off and the stock was damaged by water. Leather and other materials used in pocketbook manufacture are particularly susceptible to water damage. Most of the loss will be contents damage. The building damage is estimated at around \$1,200.

The Atlantic Cotton Felt Co. on South street suffered \$58,000 damage to contents, which consisted of cotton linters. In less than 10 days the firm rebuilt a great portion of the rear end of the brick building, which is four stories high. The building loss is not included in the above figure. The 16x16 beams were thrown right out of their metal collars by the force of the wind as it tore off the roof.

At the Newark Tidewater Terminal operated by the Port Authority, there many huge, low lying warehouses representing acres of roofing exposed to the wind. Several of the roofs were ripped off. In general they are specification roofs, layers of tar paper cemented, some of them five or six layers. The side wall of the office building, a two-story frame structure, was bulged out. The total damage in this section prob-

ably will run \$50,000. There was no damage from sea water, which did not rise high enough to get into the warehouse section.

At the Skyway Realty Corp. industrial development, one building of the Calco Chemical Co., had its glass roof with, interlaced with metal frames, blown off and the metal twisted upward. Part of the wall then blew in. There were three collapses among the Calco buildings. There may be as much as a \$60,000 loss here.

Factory Is Hit

A leather good factory on Thirteenth avenue, a three story brick structure running three quarters of a block long, suffered severe damage, possibly as much as \$80,000 on both building and contents. The roof was blown off and the walls were blown in along both sides of one corner. It was occupied by several insured and contained a lot of leather stocks. As the walls fell in they broke through three floors to the basement, carrying stocks with them.

While the majority of claims are for superficial damage an amazing number of them are large.

At Linden, N. J. the Park Plastics Co. which makes minkleles had the roof rolled off and the interior damaged with water, mud and dirt. The rain hit the dies used by the company which had to be cleaned and oiled, along with the machines. Supplies of cartons were ruined and some plastic stampings were damaged. This kind of loss would run \$800 on building, machinery and contents. An oil company had empty containers struck by rain water, and these were of no further use. The loss here was between \$300 and \$400. A roof of a shirt factory blew off, a loss of around \$300, a couple of electric cutting machines got wet at a cost of \$50, and shirt stocks were wet for about \$3,000.

Note of War

There was a note of war in the fact that on the retail end, merchants were reluctant to turn merchandise over to the insurers for salvage, but were willing to settle on a percentage basis and keep the stuff for their shelves. Manufacturers, on the other hand, in some cases are turning the merchandise over to salvage.

A greenhouse had 85 new squares blown out, about 2% of total. The cost of replacing was \$122, with labor the biggest part of it.

One or two warehouses bulged out from the bottom as a result of the battering they received from the wind. Some hangar doors, 10 by 30 feet, were twisted in their steel frames and couldn't be budged after the wind. One-half of the slate roof of the Episcopal Church at Englewood was blown off, sheeting and all. The inside finish is tongue and groove and some of that was pulled apart. Water got into the organ. This may cost as much as \$1,000.

Patience Required

Thus, the adjuster, handling losses from \$55 to \$50,000, is tearing away at the desk in front of him. There is a tendency, of course, for him to get out of this storm particularly, the somewhat more difficult losses as well as the larger ones. He has to keep the policyholder satisfied, and yet runs into human nature. But his patience is equal to the task.

"This bill isn't right," he tells one insured. She says she doesn't know about that. He replies, "You wouldn't pay it if you didn't have insurance?" and she agrees. A few, but very few, situations arise with which he cannot cope; he must refer them back to the company. One of these is a large dairy barn with a fine roof. Insured discovered he had no E.C., he had it on all of his other properties and insists that he ordered it.

The nature of the catastrophe is such that much of the time of adjusters in the early days after the storm was spent taking care of emergency situations. This means that the adjuster was jumping here and there where the emergency

was greatest. The idea was to get a roof on or a side wall covered up to prevent further damage, and then return on interior damage. Roofs, stocks and walls were taken care of first.

The adjuster ran into this situation. On part losses, it is necessary to pay a little more per square (of roof, or wall) than would usually be paid if the whole thing were being done. He then discovers that the per square job for smaller jobs is becoming the standard even for larger jobs.

About half the adjusters in the Newark office of G.A.B. were still working on South Amboy and Perth Amboy losses as a result of the explosion there in the spring. Today the office has 16 adjusters in addition to its regular 48. It will get more but it can use 60 or 70 men altogether. The flow of losses is expected to continue for a considerable time. What happens is that many losses are held up by companies because the report is incomplete. A report comes in without an estimate, then it is discovered that it is a sizable loss, possibly an emergency. It then goes to G.A.B. The day after the storm almost every other window on the streets with many mercantiles was blown out and merchandise and fixtures damaged. The Amboy explosion resulted in 7,400 claims for the office. It expects more than 20,000 from this storm.

To Fete Cundiff, Parks

Farm Underwriters Assn. is giving a testimonial dinner for two of the prominent association members who are retiring Jan. 1—George C. Cundiff, farm secretary of Home, and Chester E. Parks, fire and hail superintendent of National Fire. It will be at the Union League club, Chicago. H. B. Bannerman, farm superintendent of Home and president of F.U.A., will be toastmaster.

Celebrates 60th Anniversary

The Arthur H. Paul & Sons agency, Merchantville, N. J., is celebrating its 60th anniversary. Mr. Paul is president of Camden County Insurance Agents Assn. and a county vice-president of the state association.

So. Indiana Agents Elect

Southern Indiana Assn. of Insurance Agents at a meeting at Evansville elected Robert L. Hill of that city as president. Other officers are Edwin B. Heston, vice-president; Lester Metz, secretary, and D. A. Blackburn, treasurer.

Issues School Insurance Book

"School Insurance Economics Handbook," published by Washington School Directors Assn., will soon be released. The booklet discusses in lay terms some of the principal problems confronting a school district in considering its fire and allied lines insurance program.

Willard C. Parker, formerly with Shreve, Wright & Exton, Clinton, N. J., has been appointed vice-president in charge of insurance of the W. H. Fulper agency of Trenton. Mr. Parker is chairman of New Jersey Assn. of Insurance Agents bank-agent automobile committee.

The Schlesinger-Heller agency, Newark, marked its 35th year as general agent in Essex County for Maryland Casualty. It is still the only casualty company in the agency. It has represented Glens Falls since 1902, North America since 1909, Queen since 1911, Union Assurance since 1919, and Continental since 1921, American and Firemen's since 1946.

Ray Larabee of Underwriters Laboratories addressed a dinner meeting of Seattle Blanket Club.

Howard S. Worthington, solicitor for the Warnecke agency at Napoleon, Ohio, is to be licensed as an agent and will take over the agency during the absence of W. F. Warnecke in Florida this winter.

UNITED STATES CASUALTY COMPANY

Casualty



Surety

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New York

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Moser, Hubbard Clash at N.A.I.C.

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any positive action by the commissioners would be unseemly, he declared.

Joseph Thomas of the California department asked Mr. Hubbard for his opinion about a limited license of some kind for unauthorized companies. Mr. Hubbard said if Mr. Thomas was speaking about the bill that is proposed by T. G. Scanlon of the Old American of Kansas City, he would fight such legislation any time it was offered anywhere. He said it is conceivable, however, that some type of legislation might be worked out that he would feel free to recommend to his own companies. He pointed out that the Commercial Travelers of Utica, of which he is general counsel, has about 25,000 claims per year and only 12 law suits per year. He said that the commissioners are talking about a peanut problem. If somebody didn't keep stirring the matter up it would soon be forgotten, he declared. There were a few companies years ago that were engaging in evil practices on a large scale but today no one can point to any sizable fraud in the insurance business. The A. & H. business is the finest that it has ever been.

A. A. Layne Gives Views

A. A. Layne of the Washington law firm that represents Assn. of Insurance Advertisers (the unauthorized group) declared that Mr. Moser had made some easy statements that need analysis. He expressed the belief that there is not a gap. He said it is going a long way to say that a fine for contempt is a civil and not a criminal matter. The problem involved is minute, he contended. Companies doing a direct mail business are as fine and as completely disclosing limitations of policy as any companies in the business. There is no objection to service of process provisions so long as these are not discriminatory and are not penal. He said that in his organization there is a company that has 36,000 claims a year and only three law suits.

Great Day for Lawyers

Mr. Moser injected the comment that this is a great day for lawyers — no law suits. Mr. Hubbard, he said, in the Travelers Health case made the same arguments before the U. S. Supreme Court and those judges didn't understand it. "If we followed his theory," he declared, "you would not have the unauthorized insurers service of process act. We would be saying there is nothing we can do as we have been saying for the past 75 years. To say that every commissioner is doing his duty is to bury your head in the sand." He said the problem involved is one that is capable of toppling the whole system of state regulation down and he charged Mr. Hubbard with "filibustering tactics."



George Burt, South Dakota commissioner; James F. Malone, former Pennsylvania commissioner, and Elmer Allyn, Connecticut, president of N.A.I.C., at commissioners' convention at Los Angeles.

Pays \$39,000 in Fire Legal Liability Case

(CONTINUED FROM PAGE 9)

ard Brands undertook to repair the air conditioning system, its duty, without regard to terms of the lease was to make such repairs carefully to avoid damage to the building. Standard Brands could not delegate such responsibility to an agent or an independent contractor, the court declared.

The appeal court said that the trial court did not err in failing to sustain Standard Brands' motion for a directed verdict on the ground that Midwest was an independent contractor, stating that if that were true that fact was not a defense under the circumstances.

Standard Brands also contended that Bateman had no interest in the outcome of the litigation since the insurance companies were the real parties at interest. The company contended that the trial court hid from the jury the identity of the insurance companies, making the court's rulings erroneous and prejudicial. Bateman carried fire insurance in two companies and received payment under the policies. However, the court stated that there are many cases holding that an assignment, whether by subrogation or by written instructions, does not transfer the cause of action, and since it was shown without dispute that insurance rates on the damaged building had not been increased after the change from the use of freon to methyl chloride which was used in the system in 1945, there was no prejudice in excluding the policies to make such proof.

Standard Brands, Inc., vs. Bateman et al, Trustees, Bateman, Inc., Midwest Refrigeration, Inc., third party defendant, CCH 15 (Negligence) 866.

Cook County Bureau Rates Slashed

(CONTINUED FROM PAGE 4)

be adjusted by endorsement on a pro rata basis as of Dec. 20, 1950."

The vandalism and malicious mischief rate has been reduced and a revised minimum premium on an account basis has been provided.

North America Letter

Following is the letter which V. L. Montgomery, manager of the Chicago service office of North America, has addressed to Cook county agents and brokers:

The Cook County Inspection Bureau has just announced rate adjustments affecting various classes of risks. We are receiving inquiries regarding fire rates applicable to the business of the Insurance Co. of North America and the Philadelphia Fire & Marine Insurance Co.

"On Oct. 9, 1950, the insurance department granted to our two companies a reduction of 15% from the rates of

the Cook County Inspection Bureau on designated classes. Our deviation is based on differential in expense, and it will be in order therefore to continue the 15% reduction from the rates of the Cook County Inspection Bureau, as outlined in our bulletin of Oct. 9, 1950."

The fire protection and fire fighting facilities of the village of Evergreen Park have been changed from class six to class seven.

The classification of the Hometown Fire Protection District, Cook county, has changed from class 10 to class eight.

Aviation Liability Needs Study

MINNEAPOLIS — Aviation is growing faster and with greater effects than the law can keep up with, a committee of Minnesota State Bar Assn. reported after a conference here called to study the entire field of compulsory aeronautical public liability insurance. "The industry is far ahead of

the law," Senator A. J. Johanson, chairman of the committee, said.

Senator Johanson said the subject is such an extensive one and so important that a thorough study must be made before any legislation can be enacted. A sub-committee was named to carry on this study in cooperation with University of Minnesota law school.

Holds Wis. Symposium

MILWAUKEE — Liberty Mutual held its first industrial insurance symposium for Wisconsin here with representatives of the brewing industry. Speakers were Clifford Stevens, assistant vice-president, Chicago; W. H. Seymour, vice-president, Boston, and S. L. Hanson, assistant vice-president, Boston.

Insurance Women of Corpus Christi, Tex., staged a quiz on various phases of insurance. Buster Shely, Swantner & Gordon agency, was quizmaster.



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Illinois Dwelling Rates Are Reduced

(CONTINUED FROM PAGE 4)

in basis table 3 and class 10 in basis schedule according to the class of protection.

Changes in vandalism and malicious mischief coverage provide for a reduction in the 80% or higher rate for ordinary manufacturing, mercantile and non-manufacturing risks of from 1.4 cents to 1 cent. The 25% increase in rate for business interruption insurance has been eliminated, but a minimum business interruption rate of 1 cent applies. The former groupings into six classes have been reduced to four classes without increasing any of the rate levels and several new classes have been added.

Contingent Interruption Rates

A new rating treatment is provided for contingent business interruption. Rates will now be based upon the use of the 50% of the business interruption rate of the contributing plant where only one plant is involved. When there is more than one contributing plant, the contingent business interruption rate is based upon 50% of the highest rate of the contributing plants.

Under the new rule, the writing of a contingent business interruption line on an unnamed basis is not permissible. However, the contingent business interruption forms 19 V and 19 W are being revised to harmonize with the new rating treatment and these forms written to cover the principal contributing plants which must be named and described in the forms. These forms, written to cover the principal contributing plants which must be named and described in the form, may be extended to cover unnamed locations, but subject to limitations which will take care of small or unimportant locations which are constantly changing and need not

disturb the rate for the line.

The rules for business interruption premium adjustment endorsement have been revised to require a provisional and final adjusted premiums of not less than \$500 per account regardless of the term of the policy. The present requirement is for \$100 for an annual policy, \$250 for a three-year policy and \$400 for a five-year policy.

Reductions in the amount of the policy on an anniversary of the policy commencement date are now permitted without depriving the insured of the premium adjustment privilege.

Amend Electrical Clause

The electrical apparatus clause for public utility electric risks has been amended. The first paragraph now definitely limits coverage to electrical equipment located on the premises. The third paragraph includes the new joint loss clause wording to correspond with similar wording being adopted in the apportionment clause of the extended coverage endorsement.

The pages dealing with short rate and cancellation of policies contain a change in the note under the first paragraph providing that existing policies may not be endorsed granting pro rata return premium in the case of change in schedule or in the case of reclassification of the fire defenses of an entire protected city or town. It is now provided that a policy may be cancelled pro rata only if it is written for not less than the unexpired term of the policy cancelled. This policy must be rewritten from the date of cancellation in the same company, on the same property and for an equal amount.

The changes in uniform forms, including the change in the priorities exclusion clause, apply to building and contents form No. 18, dwelling and contents form No. 49, household contents No. 98, business interruption form No. 19A, 19C, 19E and 19G, as well as to various extended coverage endorsements, forms No. 61, 61A, 61B and 61F.

Joint Loss Principle

The various extended coverage endorsements and other forms containing the extended coverage are being revised to substitute a revised apportionment clause and add a new war risk exclusion clause. The essential change in the apportionment clause is the introduction of the joint loss principle to losses which may be covered by different types of contracts.

The vandalism and malicious mischief endorsements have been revised to bring them up to date in line with the phraseology of the extended coverage endorsement. A change has been made with reference to the burglary and theft exclusion so as to exclude vandalism damage to a building when committed incident to a burglary and theft.

The inherent explosion clauses have been revised so that the phraseology of the joint loss clause is in conformity with the new apportionment of the extended coverage endorsement.

Seeks Fast Action on War Damage Bill

(CONTINUED FROM PAGE 2)

profit on hand of over \$210 million after all expenses, fees and claims had been paid. This was turned in to the U. S. Treasury general fund. This is contrary to the true concept of insurance since its inception in 1752. It is socialistic to collect from the few and turn it over to the many who were not concerned with the transaction."

Await Marine Move

WASHINGTON — Announcement was expected this week from the Commerce Department, of Secretary Sawyer's authorization of the maritime administration to supply government war risk coverage to private vessels on outbreak of formal war or hostilities among great powers.

Maritime expected such authority to

Illinois Farm Rules, Rates Are Revised

(CONTINUED FROM PAGE 4)

use to dwellings and contents and private outbuildings and pertaining to the dwelling occupancy when:

"A. Agricultural products produced on the land involved are incidental to the occupancy of the dwelling and are principally for home consumption, or

"B. When all of the following conditions exist:

"1. When the dwelling on the premises is not used in connection with operations of the farm;

"2. When buildings are in addition to a complete set of farm buildings, including one or more dwellings;

"3. When not exposed within 200 feet by any farm building;

"4. When written under a separate policy (from the regular farm policy)."

The farm underwriters have been attempting for some time to formulate an adequate farm definition, and this one, while not complete, is considered the best that has been devised so far.

The blanket form for machinery has been approved in Illinois, making it possible for the large farms to write property on a blanket basis.

There is a new item on classifications of buildings, providing that buildings should be classed and rated according to the construction of the poorer grade. This comes about when a building is constructed of part brick and frame.

The superior type farm barn classification has been eliminated. It was found to be too difficult to arrive at whether a farm barn was of superior construction or not.

The endorsement providing coverage for theft on cattle and machinery has been added, similar to the one in effect in Michigan, Missouri, Kansas, Kentucky, and Tennessee. This allows the stock companies to offer a little firmer competition to their inland marine departments, which have been actively engaged in writing farm cattle and machinery.

A higher windstorm rate on onion and bulb warehouses has been instituted, although contents rates are lower. Lower fire rates for buildings of masonry construction of heating plants have been introduced as well as the lower rates for potatoes and onions in such buildings.

Broom corn has been included in the item as hay, straw, fodder and silage. Fire and extended coverage rates on this class has been reduced.

Fire rates for silos, windmills, wind-chasers and towers have been reduced while windstorm rates on silos of brick tile, concrete stave, solid concrete block and reinforced concrete construction have been increased.

Rates under the turkey item have been reduced, and the former item providing for additional charges on building and contents containing incubators and brooders is replaced by two items —(1) additional charges on building and contents containing incubators, and (2) heated poultry brooder houses, chicken fryer or boiler plants, laying houses, swine brooder houses or swine farrowing houses and their contents.

enable it to take up when commercial war risk policies terminate and substitute government coverage in that event. Meanwhile, announcement from marine underwriters is expected if and when such hostilities begin.

Ralph H. Blanchard, Columbia University, has written Rep. Spence, chairman House Banking Committee, on the basis of the 1943 New York standard fire policy and cover provided by War Damage Corp. in the second war, damage done to property insured under both contracts caused by activities of military forces allied with the U. S. would not be covered. This game he thinks, should be studied and close

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NAIC Proposes State Auto Finance Rules

(CONTINUED FROM PAGE 2)

ance must be written for the full term for which a premium may have been charged the purchaser or borrower, in connection with financing or effecting of a loan. All premiums collected, or charged into a finance transaction, shall be paid to the insurance company for whom the premium was collected, within the terms of any applicable agency contract or brokerage arrangement between the insurance company, and the insurance agent or broker handling the transaction. In no event may any insurance company extend under contingent commission contract more than 60 days credit terms for the payment of such premiums, by the agent or broker to the company, and no such agent or broker shall extend to a dealer, finance factor, or lender under such plan credit beyond 45 days for the payment of premiums.

(6) Where single interest is written in connection with a finance or loan transaction, a clear and concise statement shall be furnished to the purchaser or borrower, advising him that the insurance effected is solely for the interest of the dealer, finance factor or lender, and that no protection thereunder exists for the benefit of the purchaser or borrower. When single interest is written, the insurance company shall not be entitled to recover the amount of any claim payment from the purchaser or borrower. Such single interest policies shall be clearly stamped or printed on title-page "single interest only no subrogation."

* * *

(7) The purchaser or borrower must be promptly notified of any cancellation or change in a policy or certificate, except where cancellation is effected by surrender of the purchaser's or borrower's policy or certificate contract, or through a lost policy receipt, which shall be accompanied by, or have incorporated therein, a signed request from the named assured for cancellation. All notices of cancellation or change shall be effected in the same manner as the cancellation of other types of policies is handled by the insurance company, as provided in the policy, with full responsibility on the insurance company at all times to have evidence that notification of a cancellation or change in a policy or certificate has been properly sent to the purchaser or borrower. Where an insured financed unit has been repossessed, and the dealer, finance factor or lender certifies to the insurer the facts of such re-possession in form satisfactory to the insurer, the insurance company may cancel the policy upon evidence to that effect.

(8) Where a policy is canceled by the insurance company, the pro rata unearned return premium due shall be paid either directly by the insurance company or credited to the account of the agent or broker through whom the policy was written, with prompt repayment of such unearned premium as may be due the purchaser or borrower being effected by the agent or broker or insurance company. Records of the insurance company, agents and brokers shall at all times be available for the inspection of representatives of the insurance department. Where policies are cancelled upon request of the purchaser or borrower, cancellation shall be in accordance with the terms of the policy contract with payment of the unearned premium as herein provided. It is the intent of these rules that a fire, theft and collision policy is a divisible contract and that the payment of a total loss on one of the coverages gives the insurance company no right to cancel the policy without payment of appropriate return premium on the other coverage or coverages for which separate premiums were collected under the policy.

In the event of a repossession or pre-payment and cancellation, the insurance company shall protect itself by securing an affidavit of repossession on a basis which justifies cancellation and retention by the dealer, finance factor, or lender of the return premium as a credit against the unpaid balance of the purchaser or borrower. In case of pre-payment, the insurance company shall have unmistakable evidence in its files that the purchaser or borrower has received proper cash return or credit. In no case shall an insurance company pay the return premium to a dealer, finance factor or lender if there is an "overage balance" in the account of the purchaser or borrower. The amount of return premium due shall be shown on all notices of cancellations.

(9) No insurance company shall enter into any plan or arrangement whereby any person, firm or corporation, other than the insurance company, pays either directly or indirectly, any losses or claims on any policy issued by it. Adjustment of claims shall be made strictly in accordance with policy terms by qualified representatives of the insurance company.

(10) No company shall enter into or renew any contract or agreement with any agent or other representative which permits the representative or agent to retain any portion of premiums received for the payment of losses incurred, or to be incurred, under policies of insurance

issued for said company. All claim payments shall be made either by draft drawn upon the insurance company, or by check of the insurance company to the order of the claimant to whom payment of claim is due, pursuant to the policy conditions, or upon direction of such claimant to one specified as payee.

(11) No insurance company shall enter into or renew any contract or agreement with a producer directly or indirectly, under which the insurance company contemplates the retention only of a limited percentage of the entire premium to provide for expenses, strictly those of the home office operations and for taxes, bureau membership and profit, and reserves the entire balance of such premium income for losses, loss expense and producer's compensation, provided, however, that nothing contained in this rule shall prevent insurers from paying to the agent or other representative, a contingent commission based upon underwriting results. No agent or representative who is a party to such a contract shall be permitted to adjust losses on insurance written by him. Such a contract shall not use any formula under which the company receives less than its home office overhead and a reasonable share of the underwriting profit.

(12) Whenever a dealer, finance factor or lender or their agents acts as the seller of insurance, such parties must be qualified for and obtain a license under the agent's license standards in effect in this state; provided, however, that nothing in this rule shall prohibit any dealer, finance factor or lender having an insurable interest from buying insurance for the account of the lender and borrower without being licensed.

(13) If the foregoing regulations are not strictly complied with, no insurance company doing business in this state shall issue policies of insurance in connection with any retail installment sale or transaction.

Illinois Catastrophe Treatment Adopted

(CONTINUED FROM PAGE 2)

not reinsurance and hence is subject to the rate regulatory and other laws pertaining to other forms of direct insurance.

The committee also expressed the belief there is a genuine demand for the type of cover proposed by North America and that U. S. insurers should be given an opportunity to meet the legitimate needs of American business. Also the committee found that this type of cover does not regularly lend itself to the customary types of rating practices such as classified statistical reporting or schedule rating as presently used in fire insurance.

It would seem reasonable to apply different rating techniques to catastrophe coverage where the uninsured retention by the assured is a minimum of \$100,000 and the uninsured amount exceeds the maximum loss reasonably to be expected for the property covered.

The committee observed that in the

all-industry fire rating bill provision 4 (F) permits the commissioner to suspend or modify filing requirements as to classes of risks for which rates cannot practically be filed before their use. The committee feels that catastrophe cover is a proper type of protection for the exercise of discretion by a commissioner pursuant to this provision.

Suspension or modification of filing requirements does not suspend the other provisions of the rate regulatory laws and the commissioner still retains the power to require filing of a general description of the types of cover involved and the methods by which the premium is determined. A commission may at any time investigate the rates to determine if they meet the statutory standards. He may also prescribe the methods by which statistical experience for this type of coverage is to be collected.

The committee thus recommends exactly what Insurance Director Day had done previously in providing for the handling of catastrophe cover in Illinois. Mr. Day had been presented with a practical problem because University of Chicago had insured its campus fire-proof buildings on a \$100,000 deductible basis with a number of companies, North America being the leader. Mr. Day's judgment was thus confirmed in toto by the committee report.

The committee went on to say that rating of catastrophe coverage may present problems as to compliance with standard policy laws. This should be handled on a state to state basis due to the variance in the laws affecting the use of the standard policy.

The committee considered the problem of filing requirements for deductible coverages and expressed the belief that ordinary deductible forms should be subject to the regular requirements. The drawing of the line between a fairly large deductible coverage and a bona-fide catastrophe coverage is a difficult matter. Where the deductible is low enough so that losses in excess of the deductible can reasonably be expected, the usual filing requirements should apply. The use of \$100,000 figure as a breaking point appears to be reasonable subject always to reconsideration in the light of future experience. This, too, was the Illinois decision.

The committee said the matter of deductible coverage should be given careful study before unqualified approval is in order. Care must be exercised so that these plans are used to satisfy legitimate insurance needs and not simply as means of lowering existing rates, avoiding commitments to rating organizations or as a means of engaging in unfairly discriminatory practices. Hence the committee is continuing the subject on its agenda so that these problems as well as the problem of revising present statistical plans to provide for the separate reporting of the experience of this

type of coverage can be given further study by the commissioners and the "industry."

On the subject of multiple location rating, the committee mentioned that T. D. McCarl, manager of Multiple Location Service Office, had submitted amendments to the Escott plan and the committee expressed appreciation for the efforts of the "industry" to deal with the questions raised in its majority report at the meeting at Seattle in June of 1949. The committee appointed a technical subcommittee composed of Massachusetts, Nebraska and New York to meet with the technical committee of the "industry" to revise a proposed plan for the development of expense factors as outlined in the report of the committee at the Galveston meeting in December of 1949.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Wis. Mutual Federation Reelects Van de Zande

MILWAUKEE—Wisconsin Federation of Mutual Insurance Companies at its annual meeting here reelected Charles Van de Zande, Campbellsport Mutual, president; T. R. Schmidt, Kewaskum Mutual, vice-president, and T. E. Stickel, Furniture Mutual, Milwaukee, secretary.

Nominated as mutual representatives on the management committee of the Wisconsin Fire Insurance Rating Bureau were Gary H. Kamper, Badger Mutual, Milwaukee, and Mr. Stickel. The legislative committee of the federation, appointed to work with Wisconsin Mutual Insurance Alliance at the 1951 session of the Wisconsin legislature, will consist of Messrs. Van de Zande, Schmidt and Kamper.

The matter of holding regional meetings for mutual agents in key cities next year or continuing the current program of setting up workshop groups in cooperation with the University of Wisconsin was discussed. Both the workshop plan and the former regional meeting plan have been carried on in cooperation with the Wisconsin 1752 Club. The federation's educational committee will meet with the 1752 club committee and university officials early next year to decide upon a program.

Three National Underwriter Men Heard at Cincinnati

Multiple line developments, the proposed revision of the standard fire policy form, and the need for insurance education were stressed in talks given by three members of the National Underwriter Co. at the December meeting of Cincinnati Fire Underwriters Assn.

Howard J. Burridge, president, commented on the inflationary trends to be expected next year, and said that insurance costs will rise with a resultant increase in values. The fire and casualty companies will have one of their biggest years, he declared.

James C. O'Connor, editor of the F. C. & S. Bulletins, complimented President Arthur M. O'Connell of the association for his work as a leader in the campaign to produce a one-write fire policy. Mr. O'Connor also reviewed developments in coverages during the year.

The significance of national and local insurance educational programs was summarized by Robert F. Steinke, assistant editor of the F. C. & S. Bulletins.

Mr. O'Connell appointed George Guckenberger chairman of the nominating committee. The election will be in January.

Joint Survey at Eau Claire

EAU CLAIRE, WIS.—J. B. Wilkinson, chief engineer of the Fire Insurance Rating Bureau, has advised City Manager Pollock that, following receipt and study of a report on the local fire department setup and fire prevention measures, arrangements have been made with the National Board for a joint survey to start next spring. The survey, the first since 1935, was requested by the city.

Two Racine Groups Elect

RACINE, WIS.—At a joint meeting of the Racine and Racine County Assns. of Insurance Agents here, John Battenburg was elected president of the city group, Hertel M. Saugman, vice-president and Dewey Liegler, secretary. Francis May of Burlington was elected president of the county board; Matt

Keele, Jr., Racine, vice-president, and Mr. Liegler, secretary. Speakers were George Timm, Kenosha, president, and Urban Krier, Milwaukee, executive secretary of the Wisconsin state association.

Ind. Mutual Agents Elect S. L. Gumberts President

Mutual Insurance Agents Assn. of Indiana at a meeting at Evansville elected Sidney L. Gumberts of that city as president.

Other officers are Richard Hadley, Lafayette, 1st vice-president; Ray Hatch, Kokomo, 2nd vice-president; Carl Tyler, Gary, secretary, and Willard Funk, Connersville, treasurer.

Honor Beloit Essayists

Beloit (Wis.) Insurance Underwriters Assn. sponsored a dinner for 13 Beloit high school seniors who won recognition in the essay contest of Wisconsin Assn. of Insurance Agents on "How to Reduce Accidents Among Youthful Drivers."

Charles K. Colby, president, was chairman of the meeting, at which Urban Krier, Milwaukee, executive secretary of the state association, spoke. The safety film, "And Then There Were Four," was shown.

Map Agents' Licensing Law

MILWAUKEE—Wisconsin Assn. of Insurance Agents will again sponsor a bill in the 1951 legislature which will require the licensing of property agents, the executive committee decided at a meeting here. Similar bills have been introduced in the last several sessions and in 1949 the bill advanced to near-passage except for a sudden adjournment which killed all pending bills.

The association will again sponsor an essay contest for state high school students on accident prevention among teen age drivers.

SOUTH

T. K. Robinson Named Tenn. State National Director

NASHVILLE—T. K. Robinson of Robinson-Johnson, Inc., Memphis, now a member and formerly chairman of the accident prevention committee of National Assn. of Insurance Agents, was appointed state national director for Tennessee at a meeting here of the directors of Tennessee Assn. of Insurance Agents. John R. Bailey, Knoxville, past president of the association, was named alternate director.

At a meeting later with Fred Smith, president of Tennessee Assn. of Mutual Agents, in the office of Charles Houston, deputy insurance commissioner, approval was given to a tentative agents' qualification bill to be introduced when the legislature convenes in January. Mr. Houston is preparing the final draft for introduction.

Membership Drive in Va.

A state-wide membership campaign and proposed enlargement of its group



T. K. Robinson

life insurance plan were discussed by the directors of Virginia Assn. of Insurance Agents at a meeting at Roanoke. Walter G. Stephenson of Roanoke, vice-president and chairman of the board, presided.

The association now has a membership of 471 agencies.

Atlanta Insurance Library Elects Raine President

ATLANTA—George B. Raine, assistant general manager southeastern department General Adjustment Bureau, was elected president of Insurance Library Assn. of Atlanta at its annual meeting here. The library conducts the property insurance courses of the Insurance Institute of America.

Manley Stockton, assistant southern manager of Hartford Fire, was elected 1st vice-president; James D. Culpepper, secretary southern department America Fore, 2nd vice-president, and D. Lee Wicker, vice-president Hurt & Quin, general agents, secretary.

E. T. Johnson, Jr., special agent of America Fore, now in Virginia, won the Charles A. Bickerstaff prize for the graduate with the highest average in all four courses, and the prizes for highest grades in three courses. A. M. Fincher, Jr., with A. H. Turner, manager, won the award for highest grade in engineering and fire hazards.

R. M. McFarland, Jr., assistant secretary, Southeastern Underwriters Assn., was the speaker.

McCarty Leaves Hall Bros.

Von B. McCarty, secretary-treasurer of the Hall Bros. agency of Orlando, Fla., is leaving that agency Jan. 1. He has made no definite plans for the future. Mr. McCarty's wife died in November.

He was feted at the annual agency Christmas party and was given a set of matched luggage as a farewell gift.

NEWS BRIEFS

Ralph H. Shaw & Co. is a new local agency in the Republic Bank building at Dallas. Mr. Shaw was formerly in the insurance business at Nashville. The agency will represent the Aetna Life companies.

Paul M. Davis of Davis, Bradford & Corson, Nashville, has been elected a member of the federal reserve advisory council, representing the sixth federal reserve district.

The Seay agency at Blackwell, Okla., has been sold to the Shroff agency, a partnership comprised of C. H. Shroff, W. H. Kreutzer and Francis M. Kelsey. N. K. Seay, former owner of the agency, has been recalled to military service.

The agency founded by John Graham in 1910 at Boise City, Okla., has been sold to G. R. Board. Mr. Graham is retiring due to ill health.

The Hall agency at Hominy, Okla., has been sold to Ray F. Carnagy. Harold Hall of Wichita Falls, Tex., who took over the agency following the death of his father, will devote his attention to his interests in his home town.

COAST

Wash. Agents Press for Tighter Licensing Law

Washington agents are rounding out a series of luncheon and dinner meetings with their respective legislators prior to the convening of the 1951 legislature. They are explaining the legislative program of Washington Assn. of Insurance Agents, which will include two bills, a tighter agents' licensing law and an anti-coercion measure.

It is expected that the qualification law will be opposed by representatives of direct-writing insurers which are

against more stringent licensing requirements. Farmers Auto of Los Angeles has asked its representatives to discuss the proposed bill with legislators.

Farmers states that if the measure is similar to that which was considered at the last session of the Oregon legislature it will be opposed. In Oregon, the bill would have required an applicant to have had a year's experience in the business or to have completed an insurance course at an accredited school. Farmers contends the present law, which requires the commissioner to give a written examination to an applicant, is adequate.

King Co. Meeting Jan. 9

King County Insurance Assn. will hold its annual meeting at Seattle Jan. 9. The following slate of officers will be voted on: Thomas A. Harman, P. J. Perry & Co., president; William C. Greer, Greer & Edmiston, vice-president; LeRoy Hunter, secretary.

William Dow of Dow-Laney Co. is general chairman. The speaker is to be announced.

Brown Heads Loss Panels

William H. Brown, Providence Washington, presided over the discussion panels at the regular monthly meeting of Pacific Coast Fire Loss Assn. at San Francisco Dec. 19. He is chairman of the group's problems committee.

Opens New Fresno Office

Swett & Crawford, Pacific Coast general agents, have opened new San Joaquin valley headquarters at Fresno, Cal., under the management of Claude C. Sims and Jerry Aparton, casualty production; Al Ryan, fire; Roy Roche, Lloyds, and Nate Moore, claims. The new office is a one-story concrete structure, with a ground area of 3,250 square feet.

New Albuquerque Agency

The Ward-Kurman agency has been organized at Albuquerque, N. M., by Fred Ward and Bert Kurman. Mr. Ward has for many years been in the real estate and insurance business at Albuquerque, while Mr. Kurman recently resigned from U.S.F.&G. as New Mexico supervisor. His insurance career dates from 1924 when he started in the agency business at Chicago.

Phipps Billings President

Curtis Phipps has been elected president of Billings (Mont.) Insurance Assn. succeeding Wallace R. West. Paul North is the new vice-president and Wallace Streeter, secretary.

Plan Legislative Defense

Montana Assn. of Insurance Agents held a meeting of its executive and legislative committees at Helena to set up a plan of defense should adverse legislation be introduced at the coming legislature.

Hays Speaks at Portland

Harold S. Hays, state national director of Oregon Assn. of Insurance Agents, addressed a luncheon meeting of the Portland association on the annual meeting of N.A.I.A.

Urge Early License Renewal

The Washington department is urging all agents to complete applications for renewal of their permanent license well in advance of the April 1 expiration date to prevent a bottleneck in renewing several thousand licenses now held.

Boston Manufacturers Mutual Fire has been admitted to Washington.

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You don't have to look far for prospects for Business Accident insurance. Just call on the owner of business signs you see in your community.

Travelers Business Accident insurance offers employers protection against the necessity for dropping a disabled key employee from the payroll, or keeping him on it as an unproductive, serious drain. Under the liberal provisions of this insurance, whether an accident occurs on or off the job, the employee is assured of prompt payment of hospital and doctor's bills. In addition, the insurance provides weekly indemnity to relieve the employer of the payroll drain caused by paying, for an indefinite period, a non-productive wage.

Employers will keenly appreciate the value of Travelers Business Accident insurance, for business and employee morale reasons.

For further details of this readily sold form of insurance consult the nearest Travelers office.

THE TRAVELERS INSURANCE COMPANY
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Home of Stephen Hopkins

"powder and ball will decide this question"

"My hand trembles, but my heart does not," said palsied Stephen Hopkins of Rhode Island when he signed the Declaration of Independence. Two years before, at the First Continental Congress, Hopkins had anticipated the struggle for independence. Then he had said, "Powder and ball will decide this question." Both statements were the sentiments of a simple, brave and forceful man.

Some of Stephen Hopkins' simplicity may be seen in his home, which is still standing in the heart of Providence. When Hopkins bought the house from John Field, Jr. in 1742, it had one-and-a-half stories, divided into a "keeping room," an adjoining bedroom, and an unfinished attic. A year later, Hopkins added a two-and-a-half story front to his home, the better to identify it as the residence of a bright and rising young man.

Stephen Hopkins was self-educated. Yet he influenced much of the early history of Providence and Rhode Island. He was Chief Justice of the Supreme Court of Rhode Island. He was ten times governor of the state. When he bought his home, Providence was a small town: inhabitants, 4,000; mills, one; churches, five; taverns, several. Hopkins urged and effected the establishment of newspapers, libraries, banks and schools. He was responsible for moving Brown Uni-



versity (then Rhode Island College) into Providence, and he served as its first chancellor. Still he found time to be a moving spirit of the American Revolution.

In his Providence home, Hopkins entertained the great men of the times: Washington, Franklin, Lafayette, and many others. One of Washington's visits, in 1776, has given rise to two anecdotes. When the general arrived, Governor Hopkins and his wife were in Philadelphia, and Hopkins' stepdaughter, Ruth, substituted as hostess. Neighbors urged upon her fine food and service for her guest. Ruth refused the offers, saying, "What's good enough for my father is good enough for General Washington." It was on this visit, too, that Stephen Hopkins' home joined those whose boast is that "Washington slept here." The proof is a crack in the low, plastered ceiling . . . when Washington rose in the morning, he forgot how tall he was and struck his head.

With the exception of an added door, a copy of one of the same period, the exterior of the Hopkins' home is much



All furnishings are of the late 18th century

as it was when Stephen Hopkins lived in it and planned for independence. Few changes have been necessary in the interior. Thanks to the Colonial Dames of Rhode Island, Hopkins, Washington, Franklin and Lafayette, were they to revisit it today, would feel at home.

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The panelling over the fireplaces is one of the chief charms of the Stephen Hopkins House

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